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SEPTEMBER 1959

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# REPORT

OF THE COMMITTEE

ON THE

ORGANIZATION OF GOVERNMENT

IN ONTARIO







## REPORT OF THE COMMITTEE

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# Introduction

The Honourable Leslie M. Frost  
Prime Minister  
Province of Ontario

Dear Sir:

The suggestion for a review of the organization of government in the Province of Ontario originated in the report for the year 1956-57, and dated November 28, 1957, of Mr. Harvey Cotnam, F.C.A., Provincial Auditor. It was pointed out in that report that until towards the end of World War II, most of the work of government was handled by the departments. Separate boards and commissions were relatively few in number. The report mentioned five boards and commissions of size and consequence that existed in 1943 and noted sixteen others that had been created subsequent to that date. Mr. Cotnam commented:

The needs of the times have had to be met. Sheer volume of work and complexity of problems have imposed a great strain on existing resources of officers of experience in the departments. The demand for immediate action and the need for flexibility in manpower requirements are such that new tasks tend to create new boards and commissions.

In my opinion, a survey to assess the strength and weakness of the present machinery of government is needed. What is envisaged as a result is not a detailed organization chart for recasting the whole organization of government but such a survey would bring thought to bear upon the fundamental problems of government as a whole. Such a survey could be expected to report upon a re-allocation of duties between departments themselves and between departments and boards and commissions based on the principle of the nature of the service rendered to the community. Other benefits from such a survey would be better organization for financial and administrative work and better arrangements for inter-departmental discussions.

A Standing Committee of the Legislature considered the matters



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raised by Mr. Cotnam, submitting its report on March 24, 1958. Subsequently, the Honourable Leslie M. Frost, Prime Minister, set out his views about a more detailed enquiry and examination in a letter dated May 15, 1958, to the Chairman of this Committee; a copy of Mr. Frost's letter is attached as Exhibit A.

The Committee was established formally under an Order-in-Council dated June 12, 1958, to:

... examine into the administrative and executive problems of the Government of Ontario in all divisions of the Provincial Service, and to examine into the relationship of boards and commissions to the Government and the Legislature ...

A copy of the Order-in-Council is attached as Exhibit B.

The first task of the Committee was to inform itself about the existing structure of the governmental organization, including both the government departments and the boards and commissions. Memoranda were prepared for us on each of the departments and on several of the larger boards and commissions. These memoranda are included in two appendixes to this report. In addition, the Committee held a series of discussions with each of the ministers and their officials and with the chairmen and members of most of the boards and commissions. Concurrently, advertisements were published inviting briefs to be submitted to the Committee by organizations interested in its enquiries.

Briefs or submissions were received from twenty-three organizations whose names appear in Exhibit C. Representatives of fifteen of these organizations and, in addition, the chairmen and members of eleven boards and commissions appeared before us at public hearings held in November of 1958 and in January and February of 1959.

### **Nature of the Enquiry**

It may be useful to state at the outset that the "growing pains" which have accompanied the great expansion of government activities in recent decades are by no means confined to Ontario. In the United Kingdom, the report of the Franks Committee<sup>1</sup> observed:

The continuing extension of government activity and responsibility for the general well-being of the community has greatly multiplied the occasions on which an individual may be at issue with the administration, or with another citizen or body, as to his rights and the post-war years have seen a substantial growth in the importance and activities of tribunals.

<sup>1</sup> *Report of the Committee on Administrative Tribunals and Enquiries*, Cmd. 218, July 1957; H.M. Stationery Office, London; para. 35.



And in the United States, the first Hoover Commission,<sup>2</sup> at page 4 of its *Concluding Report*, summed up the trends in this way:

The Federal Government of today is markedly different from the Government of 20 years ago. It is . . . almost 4 times larger in terms of agencies and employees . . . Such rapid growth could not take place without creating serious problems of organization and management. Methods, procedures, and controls effective two decades ago cannot cope with the management needs of today.

The problems of governmental organization in Ontario are not unique: they are shared in some form by all developing democratic societies. But successful experience has been gained in other jurisdictions and progress has been made in clarifying the principles and adapting the structure of government organizations to modern needs.

Throughout its history parliamentary government has shown remarkable adaptability and capacity for evolution. Nevertheless, as the functions of government are widened and made more complex, problems reappear in new forms. We need not expect that final solutions are likely to be found. In this report, we cannot hope to do more than to suggest such modified arrangements as conform to the facts of the present and to such trends as are now discernible.

It is not our function to express opinions as to the fields of activity in which government should engage or as to broad questions of government policy. The things that government should do or should not do, the responsibilities it assumes and the services it offers, all of which are determined by democratic processes, do not come within our purview.

Our endeavours have been confined to the administrative or procedural arrangements best suited for the conduct of government business. To be satisfactory, these arrangements should:

- contain safeguards against abuses of power and authority. In broad terms this means an insistence upon the accountability of government for all its activities, including those conducted by government departments and by separate agencies. It also means there must be adequate protection of the rights of individual citizens.
- provide for adequate supervision and control over all administrative actions performed in the name of government. In both policy and financial spheres, the lines and limits of authority should be clear.

<sup>2</sup> The Commission on Organization of the Executive Branch of the Government; 1947-49. Herbert Hoover, Chairman.

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- operate as smoothly, efficiently and economically as possible. This implies, among other things, the avoidance of overlapping and duplication of responsibilities.

These three objectives are closely related; they reinforce one another. We list them separately merely to make more explicit the objectives we have had in mind in the course of our work. They are, in effect, our terms of reference.

### **Structure of the Report**

Our report is divided into four chapters, apart from this short introduction. The first Chapter begins with a discussion of the broad trends which have brought the organization of government in this Province to its present stage of development. We have not attempted a lengthy historical review but only to set the subject matter of our enquiry in proper perspective. Our aim has been to examine the organizational structure of the government in the wide context of the social and economic changes to which it has responded. Against this background, we have outlined four broad principles which should be applied to the organization as a whole. We attach great importance to these principles since they provide the basis for the more detailed proposals and suggestions that are contained in the other chapters of the report.

In Chapter 2 we turn to the delegation of power and authority by the Legislature. We raise no question about the need for delegation as such: this is a necessary part of modern government administration, just as it is a need in any large organization. But the power and authority that governments nowadays possess make special demands upon parliaments, under our democratic system, to exercise effective supervision and control. The measures and methods which the Legislature may employ to these ends are the matters taken up in this Chapter.

In Chapter 3 we discuss the government departments. It is, of course, the task of the departments to carry out many of the main responsibilities of government. Because of this the soundness of the over-all governmental structure depends in large measure upon the efficiency and effectiveness of the departments. However, their place in the structure has been long established and for this reason we have not found it necessary to examine into their operations in anything like the same detail that we have done in the case of the boards and commissions.

In the concluding Chapter, which contributes the major substance



to our report, the Provincial boards and commissions are discussed. For this purpose and for convenience of analysis, the agencies have been classified into groups consisting of those whose main characteristics are essentially comparable. Though in a few instances assignments to particular groups were somewhat arbitrary, it was only in this way that we could hope to organize the very considerable mass of detail that our subject contained.

Included in this final Chapter are some specific recommendations in regard to a number of the Provincial bodies. But in general it can be said that we have not sought to develop an exhaustive list of specific and detailed recommendations but have tended to concentrate on laying down certain principles of organization to which we feel the administrative arrangements of government in this Province should be aligned.

In approaching our assignment, we have endeavoured to look at governmental organization objectively and independent of the particular individuals who at the moment carry certain responsibilities and exercise certain powers. Where we have recommended some re-allocation of functions this has been based solely on what we believe to be sound principles of organization and not in any degree on an assessment of the capabilities or talents of individual public servants.

We realize that in implementing recommendations which we make there will be considerations other than those of which we have taken account and that there may be reasons for adopting some recommendations promptly and others when changing circumstances make the time opportune and the change feasible.

# 1. General Review and Comments

IT HAS ALREADY been observed that governmental organizations, in Ontario and elsewhere, have become larger and more complex. Growth of this kind was to be expected as a counterpart of the growth of communities generally, but something more than expansion in just these terms has occurred. New kinds of functions have been added and entirely new areas of jurisdiction have opened up.

It is necessary to go back only to the middle of the last century to reach a time when the prevailing political philosophy, in Britain, Canada and the United States, held that the activities of government should be limited to the preservation of peace in external relations, the maintenance of justice and good order internally and the provision of those public works that could be obtained no other way. Professor Corry summed it up in these words <sup>1</sup>:

Therefore, public works and military establishments apart, government was to be mainly occupied in making general laws applicable to everybody and enforcing the judgments of the courts on transgressions as they appeared. The state, as thus envisaged, has been aptly described as the negative state, imposing restraints at the margins of socially permissible conduct. The believers in *laissez faire* never were able to restrict the operations of government to the narrow sphere prescribed by their beliefs. But they had a profound influence on the scope of government action throughout the greater part of the nineteenth century. The negative state was not merely an academic theory; it was largely realized in the scope and character of nineteenth century governments.

In terms of scope, it is from this quite limited base that the broadening and change in governmental activities began. For our purposes, two principal directions of change bear singling out. Where one could say of *laissez faire* that it advocated, without complete success, the notion of non-intervention by government in the affairs of the community, one new direc-

<sup>1</sup> *Democratic Government and Politics*, J. A. Corry; University of Toronto Press, 1951. p. 116.



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tion was the precise opposite: increased intervention in, or regulation of, these affairs.

We do not propose to dwell upon the reasons for this change. Briefly, it came in response to changes in the structure of society itself. Increased specialization in agriculture and industry and the beginning of the massive rural to urban population shift—both products of the process of industrialization—made men less self-sufficient, less able to control by their own efforts the things which affected their daily lives and well-being. The individuals in the community became more dependent one upon the other. Added to this was the steady growth of the various enterprises within the community, increasing the degree of dependence and also making it impersonal and still less amenable to individual control. One channel of recourse lay to the government. As Professor Corry states it: “Economic and social interdependence gives an impetus to government intervention”.<sup>2</sup>

The second direction of change was in a way an extension of the first. It involved direct participation by government in the affairs of the community. Growing intervention had meant increased supervision over many of the spheres of activity under private ownership, but this second change was even more fundamental, involving the basis of ownership itself. Transportation systems and utilities are perhaps the classic examples of “government in business”.

As to the effects of these developments, F. W. Maitland, writing in England seventy years ago when the new trends were only emerging, made these observations:

The change was a gradual one . . . Parliament begins to *legislate* with remarkable vigour, to overhaul the whole law of the country—criminal law, property law, the law of procedure, every department of law—but about the same time it gives up the attempt to *govern* the country . . . It begins to lay down general rules . . . and to entrust their working partly to officials, to secretaries of state, to boards of commissioners, who for the purpose are endowed with new statutory powers, (and) partly to the law courts.<sup>3</sup>

At an earlier time and with its responsibilities limited in scope, Parliament governed by means of specific edicts requiring only enforcement. The nature of its new responsibilities required it to delegate its powers in a more general form, leaving scope for interpretation and discretion. Another aspect of this is seen in the changing organizational arrangements,

<sup>2</sup> Op. cit.; p. 117.

<sup>3</sup> *The Constitutional History of England*, F. W. Maitland, Cambridge University Press, 1950; p. 387-8. A course of lectures delivered in 1887-8.

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including experimentation with new forms of organization: boards and commissions and more recently the public corporation.

Broadened responsibilities brought a change in the role of Parliament and the burden of growing administrative work went to departments and other subordinate agencies. Another equally important effect, inevitably, was to create a host of new points of contact between the government and the people. As the Franks Report put it, these developments “greatly multiplied the occasions on which an individual may be at issue with the administration, or with another citizen or body, as to his rights . . .”

So we have as the historical background of the matters we are looking into, developments that are quite recent by the standards of change commonly associated with government and its institutions but which have brought within a century major new government responsibilities, new government organizations and new relationships between the individual and his government. Not surprisingly, many difficult problems accompanied these changes. It is reported<sup>4</sup> that in England between 1832 and 1844—roughly when the developments got underway—at least 150 Royal Commissions were established to investigate some of the pressing administrative problems of the day. This suggests something of the difficulties with which the Governments and Parliaments at that time were faced. No doubt many of the problems revolved around questions as to whether particular functions were needed and should be undertaken by government at all. But when this was accepted, the question was then, as it is now, how this was to be done within the framework of democratic principles.

The old parliamentary institutions were designed when the demands upon government services were few. It was a design with these essential features: ultimately, sovereignty resided with the people, but it was vested in Parliament; the Government was accountable to Parliament; individual rights were to be recognized and preserved. No matter what functions government acquired or what administrative procedures were used, these features had to be preserved, if there was to be democracy.

These principles are well known; they bear repetition only to point up some of the problems with which we in a democracy are still confronted. How is Parliament to exercise its sovereignty effectively when a matter becomes technically complex or is full of detail? This question casts no reflection on Parliament or its members, but merely recognizes the limits of specialized knowledge and available time that anyone possesses. Similarly

<sup>4</sup> *The Control of Delegated Legislation*, D. J. Hewitt. Butterworth & Co. (Australia) Ltd., 1953. p. 21.



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how can ministers be responsible, say for the issuance of dozens of kinds of licences and permits where the applications run to hundreds of thousands? Finally, what are the limits of encroachment—in the interests of what is deemed to be good public policy—upon the rights of the individual?

We do not suggest that such questions have no answers. But the answers will not be simple. They will not be found in broad assertions that “we must return to the Rule of Law and the Sovereignty of Parliament”. Nor do the answers lie in any attempt to set down, with parliamentary approval, rules and regulations to cover every situation. If this were possible it would have been done. The reason it was not done was because there has had to be, in carrying out some of the newer functions of government, flexibility of interpretation, promptness of decision and the application of technical knowledge.

There is another aspect to the developments we have been discussing. Presumably, it has always been an objective of governments that they should run their affairs efficiently. In regard to matters of finance, this objective was never more important than in recent years, as any reference to the scale of present-day budgets will testify. At the same time, efficiency has a wider meaning—that affairs should be handled with “business-like” dispatch. This notion underlies the creation of many of the quasi-judicial boards, which are often referred to as special courts to administer “speedy and average justice”. It also lay behind the development of the public (Crown) corporation. Thus President Roosevelt, in asking Congress to create a Tennessee Valley Authority, spoke of “a corporation clothed with the power of Government, but possessed of the flexibility and initiative of a private enterprise”.<sup>5</sup>

Efficiency—economy and dispatch—are required qualities of modern government administration and, again, the problem is to achieve these things while adhering to the basic principles of democracy.

Enough has perhaps been said of the historical trends and their broad implications to enable us to bring the discussion closer to the purposes of our own enquiry. Earlier we listed three objectives of sound democratic government administration: adequate supervision and control, safeguards against abuses of power and authority, and efficiency in operation. Undoubtedly these have been made more difficult to attain as a result of the increase in the size and scope of government activities involving, as it has, increasing delegation of responsibility and authority. Out of this comes a new importance in the need for precise and orderly delegation if the three

<sup>5</sup> Message to Congress, April 10, 1933.

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objectives are to be achieved. To these ends, we set out below four broad standards that the process of delegation should meet; these are:

- ministerial responsibility
- financial accountability
- grouping of related functions
- provision for appeals

### **Ministerial Responsibility**

We wish to emphasize the importance of clear lines of authority and responsibility beginning at the top with the Legislature itself and descending through the Executive Council and the individual ministers to their departments and the various boards and commissions. In reverse order there should be equally clear lines of accountability.

In subsequent chapters we shall have occasion to add qualifications to this principle and to the other principles that follow. These will arise out of special circumstances or considerations surrounding particular situations, though nothing we will say by way of qualification should be taken as diminishing the importance of the principles themselves.

Thus, in the present instance, the principle of responsibility must give way to other considerations for those boards whose functions are of a judicial nature. For the present, we will merely note the exception, reserving discussion in more detail for a later section. As a specific example, however, we should not expect a minister to be responsible for the decisions of the Ontario Municipal Board in regard to awards of compensation in land expropriations when, as is often the case, the Provincial government is a party in the proceedings.

But apart from qualifications such as this, what can we say about the principle of ministerial responsibility? What does it mean? It means that a minister of the Crown should be expected to assume full responsibility for the policies and operations of each department and for the policies of each of the various boards and commissions. It will be quite clear, of course, that this is not a new principle. It is one of the cornerstones of the British parliamentary system to which we in Ontario subscribe. At most, then, we are speaking of a matter of degree: the principle should be followed to the fullest extent and be made clear and explicit. With few exceptions—the reasons for which should also be made clear—we should expect there to be full accountability from the various executive or administrative entities to a responsible minister and from him to the Legislature.



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We are aware that in the past there have been instances where the principle has been abused, instances of improper partiality and patronage, but this cannot be a reason for retreating from the principle. Elsewhere in the system there are mechanisms—through Parliament itself and the courts—for bringing abuses to light and for correcting them. In any case, there is no effective substitute for ministerial responsibility. The dangers inherent in departing from it are seen by one writer as follows:

To the degree that the suspicion of the wit and motivation of those involved in the exercise of political power becomes institutionalized in the form of the so-called “Independent Administrative Agencies”, to that degree we not only alter the mechanics of government, but call into question the very philosophy upon which our machinery of government has been erected. This prospect has a more general field of application. Should this attitude of suspicion become any substantial element of commonly accepted political thought, we need not be surprised if executive agencies and even ministers of the Crown become somewhat contemptuous of representative institutions.<sup>6</sup>

### **Financial Accountability**

In Canada, as one writer has put it, it is “accepted doctrine that sovereignty in financial matters is vested in Parliament, and that Parliament has the right and duty to require from the executive such accounting as will ensure that public business is being administered in the public interest”.<sup>7</sup> In Ontario, control procedures have been developed to this end.

Later in our report we shall have some comments and recommendations designed to strengthen these procedures. Here, as a second general principle, we wish to give special emphasis to the need for preserving financial accountability throughout the whole structure of government. This means that, with the exceptions noted below, funds required by the various Provincial agencies should be voted by the Legislature. Secondly, the principle also means that the Legislature will subsequently be informed about the expenditure of the funds voted.

Exceptions to the first part of this procedure would be those organizations which generate their own funds. Such funds will not go into the Provincial revenue accounts nor will the organizations’ requirements be voted from these accounts. The Workmen’s Compensation Board and the

<sup>6</sup> *Administrative and Constitutional Problems Peculiar to Crown Corporations*, T. H. McLeod. Proceedings, Eighth Annual Conference, The Institute of Public Administration of Canada, 1956; p. 160.

<sup>7</sup> *The Financial Control and Accountability of Canadian Crown Corporations*, H. R. Balls, Public Administration, Summer 1953; p. 127.

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Hydro-Electric Power Commission are agencies of this type. Such agencies would, however, report annually to the Legislature on their operations.

### **Grouping of Related Functions**

The third of these general principles is that related functions of government should be grouped wherever possible to limit the number of distinct or separate entities. So stated, the principle could lead into quite a lengthy discussion of various theories of work allocation. However, our enquiry is concerned with an existing structure and a theoretical discussion of alternatives serves little purpose. In any case, here in Ontario the work of the main organizational units has been determined primarily on the basis of major purpose and this appears to be the most widely accepted method among jurisdictions similar to our own.

The principle is stated in order to point up two dangers to sound organizational growth that are perhaps always present where executive responsibilities are expanding in the pattern we have noted. One of these is the temptation to subdivide the increasing amount of work merely out of quantitative considerations. The other danger is a tendency to concentrate on the unique features that any new function is likely to have and to argue from this that a separate unit should be constituted to handle it.

The organization of work by major purpose assembles within a particular unit the various kinds of activities that relate to some broad area of responsibility. Thus, for example, the Department of Agriculture deals with matters in its field ranging from farm management to the enforcement of grading standards on some types of produce and the extension of loans to young farmers acquiring farm properties. Within this Department, or any other, there will of course be further sub-divisions but the important thing is that this arrangement provides for centralized control at the senior level of the Department. This in turn helps to ensure that there will be uniformity in policy matters and that the various parts will not be working at cross-purposes or over-lapping and duplicating effort.

It is true that the administrative problems become more difficult as a department increases in size or adds to its functions. Quite serious problems of co-ordination can arise at all levels but the means to solve them—through the vertical channels of responsibility—are at hand. The alternative of dividing the responsibilities between two major units leaves the solution of problems to “informal arrangements” at the various levels or places



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the burden on the respective administrative heads to reach such agreement as they can.

The second danger referred to above is focussed in a phrase which is sometimes used as a generic term for boards, commissions and the like. This phrase is “special purpose bodies”. There is the danger that such bodies will be created where the purpose has in fact very little that is “special” about it. If, as is often the fact, such bodies are granted a degree of freedom or autonomy not accorded regular public service departments, control becomes more difficult and the problems of co-ordination, not only with the policies of the central authorities but among the agencies themselves, are aggravated.

We do not wish to be misunderstood on this point. In a later section dealing with boards and commissions we have listed a number of reasons for the setting up of such bodies; there are circumstances in which a clear case can be made for them. Our concern is with the danger that another phrase which has often rightly been used in support of these bodies—that they combine “the best of both possible worlds, of private and public enterprise”—will be applied indiscriminately.

We would be remiss, however, if we did not add that this principle of grouping related functions itself has limitations. The areas of responsibility are not always so clearly distinguishable that individual functions all fall nicely into place. Similarly, some functions do not seem logically to fit into any single area, yet they might not justify the creation of a new and separate entity. We are dealing with things which will always be a matter of judgment to some extent. Apart from this, the grouping should not extend to functions which, while having in common subject matter or clientele, are incompatible or anomalous for other reasons.

Thus, claims that particular agencies have the dual roles of “regulator and competitor” or “judge and prosecutor” are not uncommon. In recent years, at the Federal level, the re-organization of the combines investigation procedures and some of the recommendations of the Royal Commission on Broadcasting with respect to the responsibilities of the C.B.C. reflect encounters with substantially these kinds of situations. The problem is not essentially one of fairness: in most instances of duality of functions the bodies concerned have been meticulously fair. But the fact is that the roles of prosecutor and competitor inherently do—and should—require partiality while those of judge and regulator call for impartiality. Where some claim or petition is denied, “fairness” will almost inevitably be disputed; here the appearance of justice may be as important as justice itself.

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### **Provision for Appeals**

Generally speaking, the right of appeal from the decisions of ministers, officials, boards and commissions should be facilitated. Like other enquiring bodies before us, however, we perceive that there are many different kinds of decisions and that these require different appeal provisions. Here we are drawn into the somewhat trackless area of administrative law. In his review of the problem, Professor F. R. Scott states:<sup>8</sup>

It must be remembered that the “act” of an agency exercising delegated powers may fall into one of a number of categories. It may be “legislative”, “executive”, “administrative”, “judicial”, “quasi-judicial”, “ministerial”—these are the terms most frequently used. In these concepts lies the heart of administrative law as at present practised. Which acts belong to which categories? What is the essence of each? It cannot yet be said that we have achieved much clarification of this problem.

Nor have the members of this Committee “achieved much clarification” of the problem and for this reason alone the answer to the question of which appeal provisions are appropriate to which acts is also obscure. And there are further complications. Even where it might be argued that the decisions of an administrative agency are essentially judicial, rights of appeal might justifiably be limited.

Where, for example, precise standards of law cannot be formulated or where the avoidance of expense or delay are of uppermost importance, the availability of appeals might frustrate rather than further the cause of justice. We accept the finding of another eminent Canadian spokesman in this field “that the nature and scope of review of the decisions of administrative boards has as a matter of history been, and will continue to be, shaped by the peculiar circumstances which have brought the board into being”.<sup>9</sup>

In short, the question of appeals from administrative decisions must, in the final analysis, be settled empirically. To the guiding principle that such appeals should be facilitated, it will be found in practice that there are qualifications and, indeed, exceptions. Recognizing these, the purpose in setting forth the principle is simply this: As between two of the objectives of good administration which were enumerated earlier—one, the provision of safeguards to the rights of individuals and the other, the attainment of operational efficiency—there can be very real areas of conflict. The prin-

<sup>8</sup> *Administrative Law: 1923-1947*, F. R. Scott, *Canadian Bar Review*, Vol. XXVI, 1948; p. 274.

<sup>9</sup> *The Citizen's Right to an Impartial Tribunal*, John Willis, *Proceedings, IPAC*, 1956; p. 275.



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ciple asserts that the first objective must not be subordinated to the second either in legislation or administrative practice.

\* \* \* \*

These four general principles—ministerial responsibility, financial accountability, the grouping of related functions and provision for appeals—constitute the basic standards to which, in our view, the structure and operation of the government machinery in this Province should conform. Because of the diversity of functions which modern government is called upon to perform, each has differing applications in differing situations. Moreover, each has corollaries of more detailed or specific application. They are, nevertheless, the guiding principles to which we shall return repeatedly in the course of our report.

## 2. Supervision and Control of Delegated Powers

WE INDICATED earlier that our enquiry is not concerned with the contents of the Statutes of Ontario where these set out the policy decisions of Parliament. But policy is at times only very broadly indicated in the statutes and where this occurs the making of policy, as well as the administration of it, is delegated to some executive or subordinate body. It is into this area that we must enquire.

Increased delegation of power and authority by Parliament has accompanied the growth and extension of government activities. Most notably where new activities have attempted to deal with some social or economic problem within the community, it has been found that rigid statutory “regulations” could not be laid down to meet the innumerable forms in which a single problem might make its appearance. In the past, the practice of delegation has frequently been criticized and condemned. Its critics have claimed that, with it, Parliament is abdicating its responsibility. Perhaps its most eloquent attacker, Lord Hewart, writing thirty years ago of developments in the United Kingdom, claimed that the practice constituted a threat to the principles of the Constitution and warned that “the whole scheme of self-government is being undermined”.<sup>1</sup>

Views such as these have come to be thought of as exaggerated. Their value lay in alerting the legislators and the public to the potential dangers in the practice of delegating powers. Shortly after the publication of Lord Hewart’s book, and perhaps prompted by it, the Committee on Ministers’ Powers was set up in England to enquire into the matter. In its

<sup>1</sup> *The New Despotism*, The Rt. Hon. Lord Hewart of Bury, London, 1929; p. 16.



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report published in 1932, the Committee's views were given as follows:

We do not agree with those critics who think the practice is wholly bad. We see in it definite advantages, provided that the statutory powers are exercised and the statutory functions performed in the right way. But risks of abuse are incidental to it, and we believe that safeguards are required, if the country is to continue to enjoy the advantages of the practice without suffering from its inherent dangers . . . But in truth whether good or bad the development is inevitable . . . <sup>2</sup>

A considered position today would not, in our view, differ from this. Perhaps the most important of the observations just quoted is that the practice is inevitable. Later in its report the Committee adds: "The truth is that if Parliament were not willing to delegate law-making power, Parliament would be unable to pass the kind and quantity of legislation which modern public opinion requires".<sup>3</sup> The practice must be followed and so no useful purpose is served in decrying it in principle or in generalities. Instead, attention must be directed to minimizing its attendant risks.

Parliament itself can reduce the risks inherent in the delegation of legislative powers if details of policy are included wherever possible in the governing statute. There is an obvious limitation on this where new ground is being broken, where policy must develop from experience. We believe, however, that as the principles or standards of policy are evolved, the practice should be followed of including them in amendments to the legislation.

The risks will also be reduced if, where delegation is necessary, the powers granted are kept to the essential minimum. The pertinent question is whether a particular power is needed in order to execute the designated function or responsibility. For example, subject to the approval of the Lieutenant-Governor in Council, the Liquor Control Board of Ontario has the power to expropriate land.<sup>4</sup> There seems little need for this power and, during our hearings, the Chairman pointed out that the Board has never had occasion to use it.

Excess powers are sometimes conferred as a kind of precaution against hampering an agency's operations. This may be necessary in the case of a new venture where broad powers may be desirable at the outset. With this exception we suggest that only those powers that are clearly required should be granted. Powers can always be supplemented if and when occasion demands.

<sup>2</sup> *Report of the Committee on Ministers' Powers*, Cmd. 4060; H.M. Stationery Office, London; p. 4.

<sup>3</sup> *Ibid.*; p. 23.

<sup>4</sup> R.S.O. 1950, Chapter 210.

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### **Delegated Legislation**

The subordinate authority or agency to which powers and responsibilities are delegated by the Legislature may be empowered, in turn, to make regulations which have legislative force within the framework of the imperfect mandate which has been handed down. Such regulations are sometimes called subordinate legislation and sometimes, delegated legislation. We will use the latter term.

Control over delegated powers can be exercised at the stage in which delegated legislation is being prepared. "Regulations and statutes", Jacob Finkleman observed in an essay written some years ago, "are in the same category as sources of law and the same degree of care should be exercised in their preparation".

Careful attention to the drafting of regulations from the standpoint of legal form and terminology, of precision as to intent, and of accordance with the authority which has been delegated, are all matters of obvious importance. With the passage of *The Regulations Act* in 1944, much progress has been made in Ontario in systemizing the handling of delegated legislation. The practice is generally followed of having the regulations reviewed by the legislative counsel and law officers of the Crown. It would be desirable that this practice be established as a formal procedure and applied without exception.

It is also desirable whenever possible to provide time and opportunity for discussion of important regulations before they are promulgated. This was emphasized by the Board of Trade of Metropolitan Toronto in its submission to us:

There is a marked difference in the procedures for enacting legislation and for establishing regulations. Legislation can only be enacted by the introduction of a Bill in the Legislature. This is a public proceeding by means of which those concerned obtain information on the nature of the legislation which it is intended to enact. There is opportunity for public debate in the Legislature of the issues involved and for public discussion of these items outside the Legislature. Those who deem themselves affected have an opportunity to state their views and the reasons for them.

On the other hand, the proceedings through which regulations are established are not public. Unless the Government makes some pre-announcement, which is unusual in Ontario, there is no advance knowledge of the contents of regulations prior to their publication in the *Ontario Gazette*. As a result, opportunity is not given for public discussion and the presentation of representations by those affected until after the regulations have become law.



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### **The Regulations Act**

Still another way in which delegated legislation can be controlled concerns the manner by which it becomes operative. Procedures now followed in Ontario under the provisions of *The Regulations Act* provide a number of safeguards with respect to the preparation and publication of regulations, defined as:

Any regulation, rule, order or by-law of a legislative nature made or approved under any Act of the Legislature by the Lieutenant-Governor in Council, a minister of the Crown, a department of the public service, an official of the government or a board or commission, all the members of which are appointed by the Lieutenant-Governor in Council . . . <sup>5</sup>

The Act requires the filing of regulations, etc., with the Provincial Registrar of Regulations, an officer in the Department of the Attorney General. It further states that such regulations shall not come into force before the day of filing, though they may come into force at a later date if so stated. The Act also requires that "Every regulation shall, within one month of the filing thereof, be published in *The Ontario Gazette*".<sup>6</sup>

It can be argued that something more than this should or might be done. In the United States, for example, regulations (executive orders) must be published immediately in the *Federal Register*. But the Ontario Statute achieves much the same result in another way by providing that, (Section 3(3)) "A regulation which is not published shall not be valid as against a person who has not had actual notice thereof".

Still more stringent safeguards are provided by a variety of procedures followed in the United Kingdom having to do broadly with laying regulations, sometimes at the draft stage, before Parliament. Sometimes a regulation must lie for a stipulated number of days; sometimes approval by Parliamentary resolution is required before a regulation becomes operative and sometimes it becomes effective unless there is a negative resolution.

Although procedures of this kind have merit, we have not thought it desirable to recommend their adoption in Ontario. Such procedures have to be adapted to the particular circumstances to which they are to apply—the urgency surrounding the executive decisions in connection with disaster relief measures contrasts with decisions, say, regulating or controlling the distribution of water supplies. In view of such variances, we do not rec-

<sup>5</sup> R.S.O. 1950, Chapter 337. A number of specific exceptions to the definition are also given.

<sup>6</sup> Ibid., Section (3), Subsection (1). The time for publication of regulations may be extended by order of the responsible Minister (the Attorney General) but in such cases the order must be published with the regulations.

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commend the adoption of a uniform procedure for presenting proposed regulations to the Legislature.

### **Review by the Legislature**

The foregoing has dealt with the ways by which risks associated with the delegation of power and authority can be reduced in the course of delegation itself or in the process of implementation by means of delegated legislation. Equally important is the matter of safeguards in the *exercise* of delegated power and authority—that is, literally, supervision or review of the operations or decisions of subordinate agencies. At the level of operations, what are the safeguards which can be imposed?

In the first place, it will be apparent that where the Legislature is unable to legislate in detail, special attention must be given to the need for parliamentary review. We should note here the place that ministerial responsibility occupies. Where the responsibility for the affairs of subordinate agencies rests with a minister, the traditional line of accountability to the Legislature comes into operation: the minister can inform the Legislature on the conduct of such affairs and he can be questioned about them.

Secondly, review by the Legislature is facilitated when annual reports are laid before it. Examination of the list of sessional papers presented to the Assembly during the 1958 Session reveals that annual reports for twenty-one boards and commissions were tabled. In Chapter 4 of this report it will be found that many boards and commissions have purely advisory functions while others are organizational units within the departments themselves, differing in name only from the more conventional branches, divisions or sections thereof. We see no advantage to be gained in requiring bodies of these kinds to report separately to the Legislature. But there were also several boards and commissions, not in the categories just mentioned, for which reports were not tabled; among these were:

- Milk Industry Board of Ontario
- Ontario Fuel Board
- Ontario Municipal Board
- Ontario Municipal Improvement Corporation<sup>7</sup>
- Ontario Labour Relations Board
- Ontario Securities Commission
- Farm Products Marketing Board

<sup>7</sup> The financial statements of this corporation are published annually in the Public Accounts.



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Housing Corporation Limited<sup>8</sup>

Ontario Racing Commission

Soldiers' Aid Commission

Ontario Junior Farmer Establishment Loan Corporation<sup>8</sup>

In most of these instances there is no statutory requirement that a report be tabled but there seems to be no consistent basis as to why reports are sometimes called for and sometimes not. Thus both the Liquor Licence Board of Ontario and the Ontario Highway Transport Board are required to make annual reports to the Assembly while the Ontario Securities Commission and the Ontario Fuel Board are not required to do so.

We recommend that in future all boards and commissions with the exception of the advisory boards and departmental agencies referred to previously be required to prepare annual reports on their activities and that such reports be tabled in the Legislature. Reports on the activities of advisory boards and departmental agencies, both of which are essentially committees which operate within the framework of the departmental organization, should be included in the reports of the departments with which they are associated.

### **Standing Committees**

Supervision by the Legislature of the work of boards and commissions can be exercised by standing committees. It has been said that with the increasing size, diversity and technical nature of governmental activities, one of the greatest difficulties faced by modern parliaments is to obtain enough information "to know what questions should be asked". The standing committees would appear to be particularly useful for this purpose, principally due to informality of their proceedings and the fact that the officials concerned can meet with the committees. With a view to extending and increasing the effectiveness of these committees we find some merit in the following suggestions which have arisen in the course of our discussions.

(a) Inevitably, the point arises as to the available time which the Members of the Legislature may have for committee work. There were, during the past Session, eighteen standing committees with memberships ranging from 21 to 61. Commonly, a Member sits on several committees and this tends to limit the number of committees

<sup>8</sup>The financial statements of each of these corporations are published annually in the Public Accounts.

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which may meet at any one time. This problem might be eased by reducing the sizes of the committees. An incidental advantage would appear to be that the members could “specialize” within a narrower range of subjects.

(b) The work assigned to the standing committees might be arranged so that the Provincial agencies engaged in a given subject area would be assigned to the committee dealing with that area. Thus, for example, the Committees on Agriculture, Health or Labour could review the work of such boards and commissions as were engaged in these and related areas. The Committee on Boards and Commissions would retain such agencies as could not be so allocated.

(c) Standing committees must be reconstituted at each Session. With a few exceptions, they do not have staff secretaries. On both these counts, the first of which is unavoidable, their effectiveness is reduced by a lack of continuity. This situation might be improved if the committees were assisted by secretaries appointed from the departments. The principal duties of such staff would be to prepare agendas and minutes of committee meetings and to assist in the preparation of committee reports.

## **Judicial and Procedural Safeguards**

The parliamentary safeguards over delegated powers that we have been discussing so far do not apply, indeed they are not appropriate, in all circumstances. The Legislature can—in all circumstances—revise or rescind the powers it has delegated; it can alter the make-up or constitution of its agencies. The Legislature can change the policies being pursued by subordinate agencies if such policies are not in accord with its wishes or intent.

But the Legislature is not, for example, the suitable place for reviewing the individual decisions of the Mining Commissioner on claims disputes, of the Fuel Board on municipal gas franchises or of the Highway Transport Board on certificates of public convenience and necessity for commercial trucking services. These are decisions of a judicial, regulatory or minor legislative nature. The Legislature has neither the time nor the procedure to exercise effective supervision and control—which in practice would mean review—of such decisions. And, even apart from these considerations, parliamentary review would in some instances defeat the very



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purposes of delegation. It is necessary that safeguards be provided in other forms. We shall call them judicial and procedural safeguards.

### **Judicial Safeguards: Supervision**

For purposes of discussion, we shall further sub-divide “judicial safeguards” into two parts: those that concern judicial supervision over decisions of a judicial, regulatory or minor legislative nature rendered by subordinate authorities and those that concern actual review of the decisions *per se*. Both involve rights of appeal but the first refers to appeals on jurisdiction or law and the second to appeals on fact.

In regard to judicial supervision, the primary safeguard is provided by the doctrine of *ultra vires* whereby it is open to the courts to review the question of whether with reference to a particular decision—be it a regulation or an order—the subordinate agency has acted within the limits of its authority. The ability of the courts to apply this safeguard is obviously related to the form in which the delegated powers are set forth. Thus we would recall our earlier observations that care must be exercised in the framing of the enabling authority and that the powers being delegated should be spelt out as specifically and fully as possible.

Secondly, the following Provincial statutes contain privative clauses seeking to oust the supervision of the courts over the judicial or legislative acts of subordinate authorities:

*The Damage by Fumes Arbitration Act*, R.S.O., Chapter 87, S. 4.

*The Labour Relations Act*, R.S.O., Chapter 194, S. 69.

*The Liquor Control Act*, R.S.O., Chapter 210, S. 27.

*The Liquor Licence Act*, R.S.O., Chapter 211, S. 20

*The Ontario Municipal Board Act*, R.S.O., Chapter 262, S. 98.

*The Workmen's Compensation Act*, R.S.O., Chapter 430, S. 70.

A typical privative clause is as follows:

Proceedings under this Act are not removable into any court by certiorari or otherwise and no injunction, mandamus or prohibition shall be granted or issued out of any court in respect of anything required or permitted to be done by any officer appointed under this Act.

Certiorari and prohibition only lie in cases of excess of jurisdiction in relation to judicial acts. The courts have made it clear that such a clause has no effect where jurisdiction has been exceeded. Much the same can be said of injunction. This would involve a petition to the court to direct

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the subordinate authority to abstain from the commission, continuance or repetition of an unlawful act. Such a question would in most cases, if not all, go to the jurisdiction of the agency concerned and again, the courts could be expected to assert their powers of review. Mandamus is a command by the court addressed to inferior bodies and public officials to perform any specific act which it is their legal duty to perform. Under this proceeding, the applicant must be a person who has a legal right to the performance of the act.

On these points, the Franks Report states in part:

117. Whatever may be decided as to the scope and method of appeals to the courts from tribunals we are convinced that the remedies by way of orders of certiorari, prohibition and mandamus should continue. They are clearly necessary in cases where questions of jurisdiction are involved and in cases where no provision is made for appeals on points of law. Accordingly no statute should contain words purporting to oust these remedies. It is sometimes asserted that the procedure involved in seeking these remedies is unduly complex, but we think that this criticism is unfounded. Following the recommendations of the Donoughmore Committee what were known as the prerogative writs of certiorari, prohibition and mandamus were replaced by orders of certiorari, prohibition and mandamus, and the procedure for seeking such orders is quite simple.<sup>9</sup>

Here in Ontario, the rules of practice in the Supreme Court were amended several years ago. The present rules now provide for summary application by way of originating notice which is heard in chambers. Thus, by rule 622, "Mandamus, prohibition and certiorari may be granted upon a summary application by an originating notice". Seven days is the usual time between an originating notice and the day for a hearing.

We stated as a guiding principle that rights of appeal should be facilitated wherever possible. It is our view, consistent with this, and for the reasons which are given above, that appeals on questions of jurisdiction and law should not be impeded. We have previously expressed our opinion respecting the desirability of good legal draftsmanship and the spelling out, as specifically and comprehensively as possible, of the powers being delegated. If this is done we see no necessity for retaining privative clauses in the six statutes referred to and we recommend that these clauses be rescinded.

In making this recommendation we wish to refer specifically to *The Workmen's Compensation Act* and *The Labour Relations Act*, both of

<sup>9</sup> Op. cit., p. 27-28. The Donoughmore Committee referred to in the quotation is the Committee on Ministers' Powers whose recommendations were published in 1932.



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which contain privative clauses relating to the two boards which operate under them. It has been urged upon us that nothing be done which would result in the cases handled by either the Workmen's Compensation Board or the Labour Relations Board being opened up for review. Great harm could be done by prolonging the proceedings in such cases. Our recommendation on the removal of privative clauses is made on the assumption and in the belief that this will not affect the work of these two bodies within their respective fields.

It may be worth remarking that privative clauses, which were so much criticized in submissions made to us and which we have recommended should be rescinded, are contained in only six statutes in Ontario. In recent years, the Legislature, in constituting boards and commissions, the duties of which are of a judicial or legislative nature, has not thought it necessary to include privative clauses in the governing legislation. Thus, for example, there are no privative clauses in the following statutes, although there would appear to have been just as much reason for them as in some of the earlier enactments containing such clauses:

*The Highway Transport Act, 1954, Chapter 54.*

*The Telephone Act, 1954, Chapter 94. (re the Telephone Authority)*

*The Fuel Board Act, 1954, Chapter 63.*

*The Pipe Line Act, 1958, Chapter 78.*

### **Judicial Safeguards: Review**

Quite apart from the matter of appeals based on jurisdiction or law which we have dealt with above, there is the question of the right of appeal on findings of fact. Consideration of the place and scope for judicial review by the courts of the merits or wisdom of decisions made by subordinate authorities returns us to the confusion which surrounds the kinds of decisions or acts performed by these agencies. The availability of review, and the appropriate channel for review, will depend partly upon the nature of the act in question and partly upon the circumstances which led to the setting up of the subordinate body. Professor Scott, in our earlier quotation of him, listed the categories into which the acts might fall: legislative, executive, administrative, judicial, quasi-judicial or ministerial. The difficulties lie in defining what acts fit into a particular category and in determining what special circumstances must be taken into account.

However, this difficulty is not always serious. There would be little disagreement that compensation awards for expropriations of land can be

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judicially determined and should be classed as judicial acts. The act of expropriation itself—the authority for which, incidentally, is invariably specified in the governing statute—would appear to be an executive act. In the former case, there should be a right of appeal and the courts would be the appropriate channel; in the latter case, if there is to be appeal at all, it can only be within the administrative hierarchy. The courts, for example, cannot be left to determine the routes that highways will follow.

But between extremes such as these where the acts are clearly of one variety or another, there is a wide area where the principles upon which classification might rest are blurred. Professor Friedmann, in pointing out that accurate tests for distinguishing the various functions have not been found,<sup>10</sup> adds:

The problem therefore becomes what is a right in this particular context, and whether, on a general appreciation of the situation, the judicial or administrative aspects prevail.

As we indicated earlier, the determination of which aspect prevails cannot be worked out in terms of principles. The difficulty in distinguishing the various kinds of functions is, in another phrase of Professor Friedmann's, "less a matter of logic than of common sense". There is a history of conflicting court opinions, and an abundance of literature testifies to the complexity of the matter. Against this background, an attempt by this Committee to categorize the functions would serve little purpose.

We must fall back on a more general principle: that except in very special circumstances—of which the Workmen's Compensation Board and the Ontario Labour Relations Board are examples—appeals from the decisions of subordinate authorities should invariably be available, either to the courts, to a responsible minister or to the Lieutenant-Governor in Council. It is the first part of this principle—the general availability of appeals—that is important. It is true, as a noted American authority has put it, that "there is in our society a profound, tradition-taught reliance on the courts as the ultimate guardian and assurance of the limits set upon executive power by the constitutions and the Legislatures".<sup>11</sup> It is consistent with this tradition that judicial supervision be facilitated. But this tradition is rooted in the independence and impartiality of our judiciary; both qualities would be endangered by pressing for judicial review where administrative aspects prevail.

<sup>10</sup> *Law and Social Change in Contemporary Britain*, W. Friedmann; Steven & Sons Limited, London, 1951; p. 169.

<sup>11</sup> *The Right of Judicial Review I*, Louis L. Jaffe; Harvard Law Review, January 1958; p. 403.



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It is our view that the existing provisions for appeal to the courts are in general adequate. We would, however, propose one modification. The debate on the desirable scope of judicial review largely involves questions of the protection of individual rights, traditionally the role of the courts. However, in the realm of administrative law, not the least perplexing problem has been the determination of what a 'right' is. What has baffled the courts and legal theorists over the years, we make no pretensions of settling but we believe that there is one area where the existence of a right is clearly recognizable and where, therefore, there should be recourse to the courts on all counts. This is the matter of cancellation of licences or franchises.

The initial act of granting or issuance involves an exercise of discretion; a proposed service must accord with "public convenience and necessity"; an applicant must be "a fit and proper person". Phrases such as these occur where the licensing policy is restrictive. It falls to the authority to grant or deny applications on some interpretation of policy the standards of which cannot be fixed. The power exercised by the authority in such cases is essentially legislative and the courts are not equipped to perform this function nor to review the performance of it.

But it would appear, for example, that in the granting of a franchise to provide a service, when the prior requirements of "public convenience and necessity" have been met, the conditions of retaining the franchise now shift to standards of performance that can be specified. Similarly, an applicant, having demonstrated that he is "a fit and proper person", should lose this status only when he violates specified conditions.

It will be apparent from this that a prior requirement to review by the courts in cases of cancellation of licences or franchises is that the conditions of forfeiture be specified. We see no reason why such conditions cannot be established and published. We recommend that this should be done and that all decisions involving the cancellation of a licence—though not in cases of refusal to grant a licence—should be open to the full range of judicial supervision and review.

### **Procedural Safeguards**

The thread of our discussion has been that there are instances under delegated legislation where parliamentary review over the exercise of power by subordinate authorities is either inappropriate or inadequate. We have considered the forms that supervision or review might in these circumstan-

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ces take, calling these judicial safeguards. These safeguards represent control over the acts of subordinate authorities from “outside”—by the Legislature, the Lieutenant-Governor in Council, individual ministers or the courts. In addition there are two forms of procedural safeguards or control that can be applied from inside the agencies themselves. These are: codes of procedure and the practice of giving reasoned decisions. They are discussed in the paragraphs that follow.

Suggestions were made to us that there should be a statutory code of procedure which would apply to all government agencies rendering administrative, judicial or quasi-judicial decisions or that a minimum code be set up for such agencies. We have been impressed with the difficulty of classifying functions and by the multiplicity of purposes that these agencies serve. In view of this we do not believe that a single code of procedure could be drafted that would be workable in practice; a minimum code for general application would fall far short of requirements in some cases.

We are agreed, however, that procedural rules are important and that, in all appropriate cases, subordinate agencies should be empowered to establish, and should establish, rules of practice and procedure. We suggest, too, that it should be the general objective that the codes be as uniform as possible, setting out such fundamentals as adequate notice to interested parties; full particulars of the case that has to be met; the right to inspect, before the hearing, reports or other documents that are to be received as evidence; and the right to be represented by counsel. It would seem desirable that these codes be subject to review by law officers of the Crown, before approval by the Lieutenant-Governor in Council, in order that they may be made as uniform and as complete as possible.

It is not suggested, however, that the procedures to be followed by administrative agencies should attempt to match the formalities of a court. Certainly, we would not expect this where the decisions were essentially administrative. Nor should it be expected in all cases even where they are judicial. The function of the Sulphur Fumes Arbitrator is adjudicatory but the procedure is designed, where damage occurs, to yield a speedy, inexpensive remedy and a certain amount of flexibility or informality is therefore desirable.

At the same time, where full rights of appeal are available, court procedures should be followed closely with respect to such things as the rules of evidence, evidence under oath and stenographic reporting. Compensation awards on land appropriations and cases involving cancellation of licences are examples in this category.



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Finally, there is the matter of giving reasons for decisions. There are several arguments in favour of this practice. It is a general presumption that the quality of the decisions cannot but be favourably affected. The practice tends to exert a discipline on the process by which a decision is reached. And at the very least, the decisions will be made to appear less arbitrary.

Conversely, the so-called Acheson Report,<sup>12</sup> commenting on the formulation of “elaborate” opinions, points out that “The necessity of preparing such opinions in a multitude of simple and petty cases might well be an undue drain on the resources of an agency . . .” We would agree with this point but we would feel, as the Acheson Report also indicated, that most often the reasons need not be elaborate.

Another bothersome point is that agencies performing administrative functions are not, and cannot be, bound by precedent. Herein, often, is the reason for the existence of the agency. As Professor John Willis expresses it:<sup>13</sup>

The true question is whether the policy of the legislation is so settled that it can be embodied in a series of detailed regulations (in which case the decision can be entrusted to a “tribunal” or to the courts) or is to remain flexible (in which case wise expediency is the proper basis of adjudication and the decision must be left with the civil service).

Where the policy is not settled, or must in the nature of things change from time to time, the existence of a record of reasoned decisions, if regarded as the agency’s jurisprudence, might tend to harass its work. It might be charged with inconsistency. But where inconsistency is not improper, we would regard this as a lesser charge than that the agency was “wielding its powers in the dark”.

In our opinion the arguments, on balance, support the case for giving reasons for decisions. It should not be necessary in most cases that the reasons be lengthy but they should adequately set out the basis on which the decision rests.

### **Financial Safeguards: Parliamentary Control**

Perhaps the most direct and effective measures of supervision the Legislature can exercise are through the financial controls and safeguards

<sup>12</sup> *Final Report of Attorney General’s Committee on Administrative Procedure*, U.S. Government Printing Office, Washington, 1941; p. 30.

<sup>13</sup> *Administrative Decision and the Law: the Views of a Lawyer*, John Willis; Canadian Journal of Economics and Political Science; November 1958; p. 505. The parentheses are Professor Willis’.

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that should be applied to all government expenditures. The determination and measurement of performance by means of financial controls, one writer has observed,

is the most convenient and the most significant for both the spenders and the donors. Government action is sanctioned and made possible by granting supply and it can be checked most conveniently by some form of supervision of government spending before, during, or after the event.<sup>14</sup>

In dealing with financial safeguards, we wish to distinguish between parliamentary control, and what we shall call administrative financial control. This latter term we shall use to mean the detailed analysis and scrutiny of proposed governmental expenditures and of the amounts actually expended.

Parliamentary control implies that the Legislature should control by vote the funds which are made available to finance the operations of government and, secondly, that the Legislature should obtain a subsequent accounting of the disbursement of the funds so voted. This was the meaning of the second general principle, stated in the first Chapter of our report, concerning the importance of preserving financial accountability throughout the whole structure of government. This principle is directly related to the constitutional principle of the sovereignty of Parliament which is central to our system.

It is not necessary for us to recount here particulars of the procedures which are designed to preserve the supremacy of the Legislature in financial matters. The Legislature must approve the budget proposals of the Government and must authorize the appropriation of funds for the departmental estimates. Members are informed about the disbursements of the funds voted through the publication of the Public Accounts and the Provincial Auditor's reports, both of which are tabled early in each Session.

Control by the Legislature in this way over the disbursement of public funds is not quite complete, however. Provision is made in *The Financial Administration Act, 1954* for the issuance of special warrants, when the Legislature is not in session, to be signed by the Lieutenant-Governor on order of the Lieutenant-Governor in Council authorizing payment for the repair or renewal to any public work or building which is urgently required or where an expenditure "is urgently required in the public good". Also, the Act provides that orders of the Treasury Board (a finance committee of the Cabinet) may be issued "where an appropriation is exhausted or a sufficient amount was not provided and the public interest or the ur-

<sup>14</sup> *The Control of Public Expenditures*, Basil Chubb, Oxford Press, 1952; p. 2.



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gent requirements of the public service necessitate further payments . . .” Expenditures authorized in these ways totalled just over \$14,000,000 in the fiscal year ended March 31, 1958.

Through the administrative machinery there are a number of checks on the issuance of both special warrants and Treasury Board orders. In the case of special warrants, the amount of the required expenditure is estimated by the Treasury Board and reported to the Lieutenant-Governor in Council. The Provincial Treasurer must verify that there is no appropriation for the expenditure and the minister of the department concerned must recommend that the expenditure is urgently required.

Treasury Board orders may be made upon the report of the minister of the department concerned that further payments are necessary. He must state the reason why the appropriation is insufficient and estimate the amount to be required. A report is also required from the Budget Committee of the Treasury Board. It is the purpose of such procedures that requests for additional authorizations through this channel will be fully documented and scrutinized not only by the authority requiring the funds but also by the Budget Committee, which is made up of senior officials, principally of the Treasury Department. In the review sense, these authorizations for expenditures in excess of original estimates are identified for the Legislature in two ways. They are set out separately for each department in the annual statements of the Public Accounts and, secondly, are published in the Provincial Auditor’s Report showing the purposes for which the funds were required, along with the amounts authorized and actually spent. The Legislature is thus informed of such expenditures, though necessarily after a considerable lapse of time. The Public Accounts and the Auditor’s Reports are issued concurrently and, for the fiscal year ended March 31, 1958, were dated November 20, 1958. The two reports were tabled as Sessional Papers Nos. 1 and 3 early in the 1959 Session.

The practice followed at the Federal level in Canada—namely the use of supplementary estimates—would, under present circumstances in Ontario, be of limited practical value. In Ottawa, with longer parliamentary sessions, it will generally be possible for the Federal departments and such agencies as are required to do so, to obtain parliamentary authorization where the need for supplementary funds becomes apparent. In Ontario, with the relatively short sessions taking place toward (and extending over) the end of the fiscal year, only such cases as suited this timing could be handled in this way. Supplementary estimates have been presented to the Legislature in Ontario on occasion but these have usually consisted of items

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upon which decisions have been withheld until the amount of Provincial revenues for the year have been determined.

The Ontario *Financial Administration Act*, 1954 is patterned closely on the Federal Act bearing the same name originally enacted in 1951. The Federal statute, with somewhat differing terminology, provides for the issuance of special warrants, signed by the Governor General, authorizing such payments as may be “urgently required for the public good when Parliament is not in session and there is no other appropriation pursuant to which the payment may be made”. The Act requires that such warrants be published in the *Canada Gazette* within thirty days of their issuance and that “the amounts thereof shall be laid by the Minister before the House of Commons within fifteen days after the commencement of the next ensuing Session of Parliament”.

We wish to direct particular attention to subsection (4) of the Federal Act, as amended in 1958, as follows:

(4) Where a special warrant has been issued pursuant to this section, the amounts appropriated thereby shall be deemed to be included in and not in addition to the amounts appropriated by the Acts of Parliament enacted next thereafter for granting to Her Majesty sums of money to defray expenses of the public service for a fiscal year.<sup>15</sup>

By including amounts appropriated in this way in the next ensuing budget the Federal statute ensures that such items will be subject to parliamentary review. This seems to us a desirable means by which control by the Ontario Legislature in this sphere might be strengthened and we recommend that the *Provincial Financial Administration Act* be amended to accomplish the same purpose.

### **Administrative Financial Controls**

Parliamentary control in the financial sphere, to return to it for a moment, has two parts: responsibility for the appropriation of funds to meet the budget estimates and, secondly, the right to receive an accounting of monies spent. The first of these is a direct control; by it, the Legislature determines the total amount to be spent and the allocation of that amount for specified purposes. The second is a protective control, providing the means of ensuring that the wishes of the Legislature have been carried out.

Taken together, these controls constitute a complete “system”, consisting of appropriation, accounting and audit. It is a system, however,

<sup>15</sup> 7 Elizabeth II, Chapter 31, S.2.



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which the Legislature cannot operate independently and without assistance. In a wider context, we have already noted the size, diversity and complexity of present-day government operations. When these things are considered in conjunction with the relatively short parliamentary sessions and the many demands upon the members' available time, it is evident that the Legislature as such can exercise only a general and overriding supervision over governmental activities. Similarly in the financial sphere, the Legislature cannot itself study and analyze each item of revenue and expenditure which appears in the budget estimates nor can it scrutinize each receipt or disbursement.

The Legislature does have the means of reviewing the details of revenues and expenditures through the Public Accounts Committee. In some jurisdictions such committees perform a useful and effective role. In Ontario a Public Accounts Committee is established at the beginning of each Session but we understand it has functioned only at intermittent intervals.

While as previously indicated we have not examined the work of Legislative Committees in any detail we believe that a Public Accounts Committee, acting for the Legislature as a whole, could perform a useful function. We suggest that if such a Committee is to be effective its membership should be kept as small as possible.

Much of the more detailed supervision is carried out, on behalf of the Legislature, by the Provincial Auditor. The Legislature delegates to him not only the conventional audit functions but requires him to verify requisitions for payment, to ensure that funds have been appropriated for the purposes the requisitions indicate and that they are charged to the proper appropriation account.

It might be added that although he is appointed by the Lieutenant-Governor in Council, the Provincial Auditor is removable only on address of the Assembly. The effect of this provision is to make him responsible to the Legislature. His own Report and the Public Accounts are presented to the Assembly through the Lieutenant-Governor in Council. They must be tabled within the first ten days of each Session.

There are two remaining parts of the financial administrative machinery upon which we wish to comment: those that are supervised and directed by the senior administrative officers, that is, the deputy ministers of the departments and the chairmen of boards and commissions, and secondly those parts that are the responsibility of the Treasury Board. We shall discuss them below, indicating the main duties and responsibilities with which each should be charged.

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### **Senior Administrative Officials**

The budget proposals of the departments and of the boards and commissions must be acceptable to and approved by the responsible ministers. It is the ministers who must advance and defend these budget proposals before the Legislature. Similarly, it is the ministers who are accountable to the Legislature for the general soundness and efficiency of the financial administration of the departments and agencies for which they are responsible.

It is the senior administrative officials, however—deputy ministers and the chairmen of the boards and commissions—who are charged with the day-to-day direction, supervision and management of their respective departments and agencies. They are closest to the operations of their departments and agencies and thus are best able to anticipate their organizational requirements and to exercise direct supervision and control over costs.

To an important degree the effective working of the system depends upon building up and maintaining the sense of financial responsibility at this senior administrative level. It is therefore imperative that the senior administrative officials be given the widest possible scope in carrying out their work.

### **Treasury Board**

The Treasury Board is a finance committee of the Executive Council comprising the Provincial Treasurer, as Chairman, and not fewer than four nor more than seven other ministers. At the present time the Board consists of the Chairman and five members. It has a Secretary—at present, the Comptroller of Finances—and a staff of three. The latter are not full time but devote such time as is required to Treasury Board matters.

Earlier reference was made to the specific authorities of the Board in connection with the issuance of Treasury Board orders and special warrants. Its general duties, as given in *The Financial Administration Act, 1954*, are to act on all matters relating to finance, revenues, estimates, expenditures and financial commitments and on any other matter concerning general administrative policy in the public service that is referred to the Board by the Executive Council or on which the Board considers it desirable to report to the Executive Council.

The Board may require the production of such documents as it deems necessary and, subject to the approval of the Lieutenant-Governor



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in Council, may make regulations respecting the collection, management, administration of, and accounting for, public money; or for any purpose necessary for the efficient administration of the public service.

Provision is made in *The Financial Administration Act, 1954*, for the establishment of a Budget Committee under the Treasury Board. It is composed of such officers of the Treasury Department, or of other departments, as may be so designated by the Lieutenant-Governor in Council. This Committee is empowered, under the direction of the Treasury Board to:

- examine, advise upon and compile the annual and supplementary estimates of revenue, receipts, expenditures and payments;
- inquire into, examine and advise upon the expenditures, the commitments, the prospective expenditures, the revenues and prospective revenues of each department; and
- investigate all matters relating to the receipt, disbursement and payment of public money.

The Committee may also make suggestions with a view to promoting efficiency and economy in the departments and it may perform such other duties as are assigned to it.

In the system of financial control with which we are here concerned one of the principal responsibilities of the Treasury Board is the review and appraisal of the budget estimates prior to their submission to the Legislature. We have already spoken of the responsibilities of the senior administrative officials in regard to the preparation of the estimates. What we have to say now does not detract from those responsibilities. Only these officials can exercise close control over the revenues and expenditures of their departments or agencies. But it is obvious that their budget estimates cannot effectively take account of the aggregate demands which will be made upon the Treasury. It rests therefore with the Treasury Board to reconcile the total of the expenditures that are proposed with the total amount of revenues that can or should be raised.

Moreover, the controls exerted by the senior administrative officials operate within the framework of the policies that have been laid down. To “make ends meet” the Treasury Board must scrutinize the budget proposals from the standpoint of determining how much of the overall program can be carried out, where it must be reduced and where deferred. The mechanics of budget preparation, in essence, require the review and screening of the requests of each department and of the subordinate agencies concerned and, subsequently, the assignment of priorities to the various re-

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quests, for the consideration of the Government and the Legislature. This function can only be carried out at the level of a ministerial committee.

If this job of screening and review is to be done effectively, having regard to the growing scale of Government expenditures in Ontario, it should receive continuous attention. We believe there is a need for early and continuous liaison between the departments and other agencies and the Treasury Board as programs are formulated and begin to take shape. If this were done the Treasury Board, and through it the Government, should become better informed about the financial implications of the various policies and projects being developed by the departments and other agencies concerned.

Furthermore, we believe that all government programs and not only new proposals should be kept under continuous study and review by the Treasury Board. This point is brought out in a recent report of the Select Committee on Estimates in the United Kingdom: <sup>16</sup>

It is uneconomical for a good new policy to be rejected or cut while a less worthy policy is allowed to carry on without modification. Not only must new policies be scrutinized, but current policies must be as carefully reviewed. To a great extent this inevitably happens, because the pressure of demand for a new policy within the context of a limited total expenditure, will result in some old policy being elbowed out to make room for the new . . .

Nevertheless, there is a real danger . . . of a thing "living on its legend and going on because it was approved four or five years ago, without anyone saying 'why are we doing this?'" and this applies as much to policy as to administrative matters.

In Ontario, the Treasury Board meets weekly with members of the Budget Committee generally in attendance and in this way consideration is given to the financial matters in which it has an interest. But the duties of the Board are likely to become increasingly onerous. They will grow as the business of the Province grows. The problems of control will become more difficult as the undertakings become larger or more highly technical. In addition, there are the special difficulties associated with certain types of welfare or assistance programs, which are becoming more common, where the financial requirements are dependent upon some vagary of the economic situation or even the weather.

At the present time, the Treasury Board is assisted by a Budget Committee which, according to the statutory provisions cited earlier, is designed to function as a secretariat. But the Committee is composed of

<sup>16</sup> *Treasury Control of Expenditure*, Sixth Report from the Select Committee on Estimates, Session 1957-8; H.M. Stationery Office, London; p. IX.



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senior departmental officers who have other important administrative duties and who therefore cannot concentrate their whole attention upon the examination, compilation or investigation of the annual and supplementary estimates of revenues and expenditures.

To overcome these difficulties we recommend that the duties now assigned by statute to the Budget Committee be re-assigned to a full-time staff directly attached to the Treasury Board. We suggest that the present Budget Committee be retained but that in future it should act in a purely advisory capacity to the Treasury Board and to the Provincial Treasurer in his capacity as Chairman of the Board.

### 3. Departmental Organization

DEPARTMENTALIZATION is the principal and traditional mode of organization for the bulk of the business of government. For the purposes of our enquiry, it is also the simplest. From the concept of collective direction by the Executive Council at the top level, lines of authority are clearly established through the individual ministers to the departments and their organizational sub-units. At an early stage of our enquiry, memoranda were prepared for us outlining the structures and functions of the departments and these reports are appended. However, we have not examined into departmental operations in detail and with the exception of certain proposals in connection with the Departments of Municipal Affairs and Planning and Development, such comments as we wish to make about the departmental organization are brief and quite general in character.

At the present time, apart from the Prime Minister's Department, the administrative work of government in Ontario is divided among some twenty departments of which perhaps half are the most important in terms of size, the responsibilities assigned to them or the amount of their annual expenditures. Another four or five departments perform important functions in clearly defined areas of responsibility and there are a similar number that are considerably smaller in size whose responsibilities are of relatively less importance.

We believe it would be desirable from an organizational standpoint to have the workload divided among a somewhat fewer number of departments which, with some necessary exceptions, would be reasonably well balanced in terms of size and importance. We recognize, however, that there is one advantage in the present arrangement which should not be overlooked. From a practical political standpoint, any Cabinet in Ontario should, where possible, include representatives from different parts of the Province and of various occupational and religious groups. Moreover, it



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would be unrealistic to expect that all ministers or all members of the Legislature with ministerial potential should have had the same experience or that they should have the same aptitude for administration. As things are at present, the necessary representation and cross-section of opinion can be included in the Cabinet while, at the same time, the individual ministers can be assigned to posts appropriate to their talents and experience.

But having said this, we believe the Government of Ontario might function more smoothly and easily with fewer departments than there are at present and if the temptation to create new ones is resisted as much as possible. The past fifteen years have brought an especially rapid growth in government services and though the pace may change, this trend is likely to continue. In the course of it, occasions will arise when new functions are being undertaken by the departmental organization and these functions may have no apparent connection with existing departments. The establishment of additional new departments may thus occasionally be unavoidable. But if this is so, every consideration should be given to the possibilities of merging two or more of the then existing departments and thus avoiding an increase in the total number.

As we have said, we believe there might be advantages to be gained by consolidating the work of the government within somewhat fewer departments than the present number. However, we do not wish to press this point unduly and do not propose to make any specific suggestions as to what might be done at this time except in connection with the Departments of Municipal Affairs and Planning and Development which we shall discuss in the following pages.

### **Municipal Administration**

The Department of Municipal Affairs and the Department of Planning and Development share with the Ontario Municipal Board the major responsibilities of the Provincial government in the field of municipal administration. The Department of Municipal Affairs was set up in 1934, the need for it arising out of the financial difficulties in which many municipalities found themselves in the depression years. Previously there had been a Bureau of Municipal Affairs charged principally with the duty of supervising the accounting of certain municipally controlled utilities. Among the duties assigned to the Department were responsibilities for exercising general oversight of the procedures used in municipal accounting, auditing and assessment systems and, on an order of the Municipal Board, for tak-

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ing over control of the administration of the affairs of a defaulting municipality.

The Department of Planning and Development was created in 1944, charged with the duty of collaborating with the other departments and with other governmental and private bodies “with a view to formulating plans to create, assist, develop and maintain productive employment and to develop the human and material resources of Ontario . . .” In 1946, with the enactment of *The Planning Act, 1946*, procedures were set forth to give encouragement to sound community planning. The Act explicitly assigned to the new Department responsibility for fostering and, to some extent supervising, planning activities at the municipal level.

The origin of the third body which has responsibilities in the municipal sphere, the Ontario Municipal Board, dates back to 1906 when it was originally constituted as The Railway and Municipal Board. Duties assigned to the Board under *The Railway Act* chiefly had to do with the regulation of the operations of Provincial railways, approval of tolls and the hearing of disputes between the railways and municipalities. Municipal matters within the jurisdiction of the old Board, for the most part, concerned municipal territorial changes and certain assessment appeals.

The duties of the Board were extensively revised and expanded with the passage of *The Ontario Municipal Board Act* in 1932. While the existing jurisdiction and powers of the Board—given its present name by the 1932 Act—remained substantially the same, the new duties assigned came to be the most important of those it performed. These included the approval of all debenture by-laws and the supervision in certain circumstances of the affairs of defaulting municipalities. Additional major responsibilities were acquired from time to time by the Board. Professor Crawford points out that:

While these developments in the supervision of municipal finance were taking place over the years an increasing number of council actions of a non-financial nature were made subject to Municipal Board approval. By 1947 the volume of work of the Board had increased to the point that it became necessary to enlarge the personnel to five and by 1951 to seven members.<sup>1</sup>

The work of the Board is still expanding, despite the fact that the Ontario Fuel Board and the Ontario Highway Transport Board were set up in 1954 and 1955 respectively to take over important functions from it. The Ontario Municipal Board is now made up of nine members and has a staff of thirty-five.

<sup>1</sup> *Canadian Municipal Government*, K. Grant Crawford; University of Toronto Press, Toronto, 1954. p. 350.

## **The Municipal Problem**

In this short account of the three organizations with which we are concerned it will be observed that the conditions of the 1930's alone did much to expand the activities of the Provincial government in regard to municipal affairs. But this was no more than a "crisis" which accelerated the need for action. The underlying causes were those which we noted in regard to the expansion of government activities generally: industrial development, urbanization, and the advent of the welfare state. Translated to the local level these developments have brought an array of new demands upon the municipalities. Out of these demands has come "the municipal problem", which in its principal aspects is partly financial and partly jurisdictional.

Though the location of the problem is municipal, the solution, or at least alleviation, of it will in large measure be a Provincial matter. Professor C. A. Curtis, in an address to the Ontario Municipal Association, put it as follows:

It must be recognized at the start that the solution of most of these problems is at the provincial and not the municipal level. You can inform the provincial authorities of the difficulties and of the problems that arise, but whether or not you will be able to meet them will depend upon provincial legislation. After all, the municipalities do have to work within a framework of law—of legal powers delegated to them by the province. This means that the provincial government will have to give careful, and in my opinion more extensive, attention to the problems of the social changes of our times and their impact on local government.<sup>2</sup>

We agree completely with Professor Curtis that the Provincial government in the future "will have to give careful and more extensive attention to the problems of the social changes of our times and their impact on local government". Our cities, towns and villages are expanding at a more rapid rate than the population as a whole. Reducing working hours, more leisure time and above all, the widespread, if not universal, use of the automobile have brought with them a revolution in the needs and wants of what has come to be in Ontario a predominantly urbanized society. All this has meant demands upon the municipal authorities for facilities, amenities, social services and education that were not thought of as being possible of attainment a few years ago. It seems clear that these needs and problems of

<sup>2</sup> *The Changing Form of Municipal Government*, C. A. Curtis. Address to the Ontario Municipal Association at Ottawa, September, 1958. Published in *Canadian Tax Journal*, Vol. 6, 1958. p. 342.



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our urban municipalities will not be met or solved without the active and full co-operation of the Provincial government.

The social changes mentioned have been accompanied by a widespread movement of people from the rural areas to the cities. This has also resulted in serious problems for some of the smaller municipalities in rural areas. And, again, these can only be solved with the active support of the Provincial government.

In short, the municipal problem is becoming one of the most important problems with which the Government of Ontario must cope. We do not believe, however, that the present machinery is adequate for dealing with this problem mainly because the responsibility for so doing is divided and because the principle of ministerial responsibility has not been followed.

The machinery for dealing with municipal matters needs to be streamlined and, furthermore, strengthened. In approaching this problem, as in other problems of government organization, we suggest it will be important to remember the four basic principles on which we have placed so much emphasis—ministerial responsibility, financial accountability, grouping of related functions and provision for appeals. With these principles in mind, we believe the logical course to be followed in the circumstances is to make the Department of Municipal Affairs primarily responsible for all important questions in the municipal field and to reorganize and strengthen it to meet its expanded responsibilities.

### **Planning**

Some of the difficulties arising from the divided jurisdiction now existing in the municipal field were brought out by the Central Ontario Chapter of the Town Planning Institute of Canada in their submission to us as follows:

What is essentially a single planning problem within a community may for a municipality involve several facets; the proper application of the official plan, the correct subdivision and development of the land with an appropriate agreement between the municipality and the developer, and the correct regulation of future land use by zoning by-law. Yet the approval of the parts of this complex arrangement does not lie with the same authority even though it is a single planning problem. Furthermore, the final authority to deal with each part is fixed only in the case of the zoning by-law, a matter with which the Minister cannot deal. For the other aspects, official plan and subdivision, the final authority may be selected not only by the Minister but also by any person who wishes to exer-

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cise his right to have the matter dealt with by the Board instead of by the Minister . . .

The Chapter was referring to the Minister of Planning and Development and the Ontario Municipal Board. Earlier, in summarizing its views, the Chapter also stated: "This division of jurisdiction is held to be harmful to municipal efforts in planning, to cause injustice and to contribute to unco-ordinated development . . . The several aspects of single planning problems should not be ruled upon separately by the Board and the Minister, especially because (they) apply quite different procedures and criteria in reaching decisions".

At the present time official plans and amendments require the approval of the responsible minister (i.e., the Minister of Planning and Development) but he may, and if requested shall, refer them for approval to the Municipal Board. This procedure has the merit of providing an opportunity to hold a public hearing, a feature which we believe should be preserved. After its examination, however, instead of making the final decision in the matter, the Board should submit its recommendations to the Minister and the final decision should rest with him. In making his decision, the Minister would no doubt be influenced very greatly by the recommendation of the Board but he would also be able to take into account information supplied by his departmental officials of a technical character relating to the proposed plan and to the financial competence of the municipalities and others involved in the particular project. Quite apart from this, the proposed change would comply with the principle of ministerial responsibility.

The procedures for the approval of subdivision plans at present are similar to those for official plans and we would suggest that they also be modified along the lines indicated above.

In suggesting that the ultimate responsibility for the approval of official plans and amendments and of subdivisions should reside with a minister, it may be useful to indicate, in terms of volume, how these matters have been handled in the recent past. In 1958, out of a total of some 160 official plans or amendments, about 15 per cent were referred to the Municipal Board. As for subdivision approvals, about 2 per cent of roughly 1,200 applications were referred to the Board. Thus, in the great majority of cases, these matters are already handled administratively within the Department of Planning and Development. We recommend that the functions now performed by the Community Planning Branch in the Department of Planning and Development and the work of an administrative or

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policy nature now being done by the Ontario Municipal Board in connection with planning should all be transferred to the Department of Municipal Affairs.

Under *The Municipal Act* all zoning by-laws passed by municipalities must be approved by the Municipal Board before coming into force. We suggest that in future such approval should be obtained from the Department of Municipal Affairs. The application for approval should indicate whether the proposed by-law conforms to an official plan (where there is one); it should certify that notice of the proposal has been sent to all affected persons; and it should report any unfavourable responses to the notice. After considering the information supplied with the application, the Department could decide whether it should be approved forthwith or, alternatively, be referred to the Municipal Board in order that a public hearing might be held. In the latter event, after its examination the Board should submit its recommendations to the Minister for a decision.

### **Municipal Financing**

Municipalities, under the provisions of *The Municipal Act*, are required to obtain the approval of the Ontario Municipal Board before proceeding with any capital projects, the funds for which must be raised in future years, i.e., by the issue of debentures. These provisions were passed in 1932 and 1934 when the need for more stringent Provincial supervision over municipal debt levels became urgent as a result of the depression. At that time municipalities were confronted with rapidly rising relief costs while at the same time their revenues were falling. Re-financing and new financing were costly and difficult to obtain. Capital was scarce and the risks unattractive where new borrowings were to cover operating deficits. Under these conditions, many municipalities were unable to repay their maturing loans and went into default.

The elements of urgency and gravity which characterized municipal financial problems in the 1930's are no longer present and, in the circumstances of today, there are questions other than financial which should also be taken into consideration in deciding whether or not a municipality should be permitted to proceed with the installation of essential services. This is an area where questions of public policy are involved and, for this reason, the necessary administrative supervision should reside in a department headed by a responsible minister of the Crown. We recommend, therefore, that responsibility for the work now being done by the Ontario



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Municipal Board in the sphere of municipal financing should be transferred to the Department of Municipal Affairs.

Minimum standards should be developed in this connection which all municipalities should be expected to meet before they embark upon new projects involving borrowings. Approval of debenture by-laws which meet these minimum standards could be handled administratively within the Department of Municipal Affairs. We would expect that, if the staff and other facilities of the Department were expanded and strengthened for this purpose, it would be in a position to give the municipalities continuous assistance in regard to their long-range planning and capital budgeting. It would be hoped that if this work were properly carried out, the great majority of applications for approval of debenture by-laws in the future would, as a matter of course, conform with the stipulated minimum standards.

We are aware of the difficulty, perhaps impossibility, of defining standards that will operate satisfactorily in all cases. There will undoubtedly be instances—new municipalities, those facing unusual growth (or decline) or those confronted by some particular situation which is temporary—where the standards cannot be applied literally. There may be other cases, and we would expect these be only a small minority, where a public hearing may seem desirable in order that opposing views can be aired and explored. As with referrals of planning matters under our previous proposals, the Municipal Board could provide for such hearings if needed and it would submit recommendations to the Minister of Municipal Affairs who would be responsible for the final decision.

### **Ontario Municipal Board**

We have recommended that the time has come when certain of the functions in the municipal field now performed by the Ontario Municipal Board should be transferred to a reorganized and expanded Department of Municipal Affairs. This in no way reflects criticism of the Board. On the contrary, it has performed its vital and difficult role with great distinction. However, it is neither desirable nor possible to continue to throw all the emerging municipal problems on the Board. These are responsibilities which the Government itself or one of the responsible ministers should assume.

Our recommendations would require careful working out prior to implementation. As we have said, a reorganization of the Department of

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Municipal Affairs would be required to equip it to handle the increased responsibilities that would be assigned to it. Also, the proposals would result in the Municipal Board becoming closely related to the Department. It should be noted, however, that the Board presently is charged with many functions other than those we have been discussing. Among these, as listed by the Board in a memorandum submitted to us, are the following:

- assessment appeals, including equalization of county assessments, appeals under *The Municipal Tax Assistance Act*, and appeals from assessment equalizations in districts;
- apportionment of inter-municipal obligations for joint projects and services—e.g. under *The Conservation Authorities Act*, allocation of costs on projects which may extend over whole watersheds; apportionments under *The Secondary Schools and Boards of Education Act*; expenses of joint planning boards under *The Planning Act, 1955*; costs of joint sewage works under *The Public Health Act*; and the fixing of water rates charged by one municipality to another under *The Ontario Municipal Board Act*;
- incorporations, annexations, amalgamations and dissolutions of municipalities and other territorial changes under *The Municipal Act*;
- jurisdiction as Drainage Referee under *The Municipal Drainage Act*;
- remaining jurisdiction under *The Railway Act*;
- appeals from decisions of local Committees of Adjustment under *The Planning Act, 1955*. The local committees may authorize minor variations from the provisions of municipal by-laws which give effect to some feature of an official plan or amendment;
- under a number of statutes, the Board may be required to determine the compensation to be paid to the owners of lands expropriated or injuriously affected in the exercise of the statutory powers of the Province or its agencies, municipalities or local boards.

In addition to the foregoing, a long list of duties of a somewhat specialized nature have been assigned to the Board over the years under various general or special Acts of the Province. We have not reviewed these responsibilities in detail but it is our general view that they should be left with the Board.

\* \* \* \*

In our opinion, the changes we have recommended would accomplish three important purposes. First, they would group the various func-

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tions relating to municipalities within a single organizational unit thus clarifying the lines of authority and jurisdiction. Secondly, they would result in a simplification of procedures by transferring to the Department of Municipal Affairs work which can be handled administratively within a department. Finally and perhaps most importantly in view of the increased attention which municipal problems will require in the future, our proposals would mean that the administration of Provincial government policies in the municipal sphere would be assigned to a responsible minister of the Crown.



## 4. Boards and Commissions

THE ORDER-IN-COUNCIL creating our Committee to enquire into the machinery of government in Ontario included the specific instruction that we should “examine into the relationship of the Boards and Commissions to the Government and the Legislature . . .” We have given particular emphasis and attention to this part of our task. In this concluding section of our report, we shall discuss the reasons for setting up separate boards and commissions and the parts which these bodies play in the administration of government in this Province. We shall attempt to group these various agencies into a few broad classifications, and we shall make a number of recommendations and suggestions respecting their operations and organization.

As we have mentioned earlier, in Ontario, as in other places, government has increasingly become engaged in supervision of, and participation in, the life of the community and this has led to the delegation of powers and responsibilities by the Legislature to subordinate agencies in various forms. We wish to state categorically that we believe the creation of such agencies has been a useful device.

There is a danger, it is true, that they might be resorted to indiscriminately—to circumvent public service regulations, to evade direct responsibility, perhaps even carelessly and without sufficient thought to the capabilities of the existing organization. But properly conceived, these agencies are designed to fill gaps in the traditional departmental form of government organization. Such agencies bring to the administrative structure of government the capacity and the flexibility needed to perform functions which in some instances require judicial procedures and in others require the characteristics of private commercial enterprise.

Because of their very nature, the relationships of these agencies to the Government and the Legislature frequently cannot be the same as the

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traditional relationships of government departments. This point becomes clear when one considers in specific terms some of the principal reasons which justify the creation of the separate agencies in question. Among these are the following:

(a) It may be desirable to create a separate board or other agency where the Government is taking on a new function the limits or requirements of which cannot be fully defined or anticipated. To begin with, it may be necessary to grant the new agency fairly wide discretionary powers in order that it may have the flexibility necessary to explore and develop the new function and the best kind of administrative machinery required to handle it. Accountability to the Government and the Legislature should be retained but initially it may not be considered necessary for this to extend to detail. As the situation clarifies the Legislature should be asked to define the duties and responsibilities of the new agency more precisely.

The Act establishing the Hospital Services Commission of Ontario affords an illustration. The first Act in 1956 was very short; in it the purposes of the new Commission were stated briefly and in the broadest terms. Subsequent amendments in 1957 and 1958, each longer than the original Act, supplemented and defined the functions to be performed by the Commission.

(b) A board or commission might be set up where the function is of a judicial nature and where either some special expertise is involved or the avoidance of delays and expenses are in themselves important elements in the dispensing of justice. Such agencies must have a high degree of independence and be free from political considerations or pressures. The Legislature intends only that they shall discharge their duties, as the Franks Committee said, with "openness, fairness and impartiality". Accountability relates to the agency's conduct rather than its subject matter. Examples of agencies in this category are, the Ontario Securities Commission, the Labour Relations Board and the Workmen's Compensation Board.

(c) Where the function is of a commercial or industrial type, a corporate form, perhaps under the general direction of a board or commission, may be adopted for a variety of reasons. It may be that decisions must be taken quickly or that the operations must be easily adjustable to meet changing business or financial conditions. Delays or publicity before action is taken might seriously

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hamper the operation and reduce the effectiveness of the agency in question. It may be, too, that the enterprise is to be self-supporting, implying detailed costing and pricing within an integrated organizational unit.

Such agencies bear subsidiary relationships to the Government and the Legislature and are of course accountable to them. Yet there must be administrative flexibility in their day-to-day operations. One British study <sup>1</sup> tells of the first experiments in public control in the United Kingdom in which “close parliamentary control” was attempted. Administration of the enterprises suffered; the method produced “excessive conservatism, caution, avoidance of financial risk, delay in reaching decisions and excessive paper-work”, these resulting from what might be called excessive accountability.

Examples of agencies of the public corporate type in Ontario come readily to mind: the Ontario Northland Transportation Commission, the Food Terminal Board, the Hydro-Electric Power Commission of Ontario and the Liquor Control Board.

(d) Lastly, when the function cuts across single jurisdictions or areas of responsibility, a committee or corporate form of organization may be used, largely as a matter of convenience. Bodies such as these are distinct organizational—and in some instances, legal—entities with defined powers or authority but their accountability does not differ from that of the departments. They are responsible in policy and operational matters to the Government and the Legislature.

The Lake of the Woods Control Board is one such example; this Board brings together the interests of the Federal Government and those of Manitoba and Ontario in regard to control of water levels in the area in question. Other examples are the Junior Farmer Establishment Loan Corporation and the Co-operative Loans Board which combine the interests of the Departments of Agriculture and of the Treasury.

This brief account indicates the main reasons which justify the adoption of the board or commission form of operation and illustrates the differing types of relationships which they may have to the central machinery of government—the Government itself and the Legislature. It is against this background that the guiding principles, ministerial responsibility, financial accountability, grouping of related functions and rights of

<sup>1</sup> *Accountability & Parliament*, The Acton Society Trust, 1950.



appeal must be applied. The application of these principles must of necessity differ in some degree depending upon the relationship between the particular agency and the central machinery of government.

In the discussion that follows the Provincial agencies in Ontario have been brought together into groups for which roughly comparable relationships can, or should, prevail. We have called these groups Advisory Bodies, Departmental Agencies, Ministerial Agencies and Quasi-judicial Agencies. In addition, there is one agency—the Hydro-Electric Power Commission of Ontario—that does not fit closely into any one of these groups and which therefore can best be discussed separately.

## ADVISORY BODIES

All boards and commissions do not have the kind of powers and responsibilities that are of special interest and concern to this Committee. Advisory bodies are cases in point. These bodies do have responsibilities: to advise and make recommendations upon courses of action which should be taken. But no powers are delegated to them. Consequently, our interest in them is quite limited. There are twenty-five such advisory bodies according to our classification, the names of which are listed hereunder:

### *Department of Agriculture*

1. Advanced Registry Board for Beef Cattle
2. Advisory Board for Conjoint Administration of OAC, OVC and Macdonald Institute
3. Artificial Insemination Board
4. Milk Industry Advisory Committee of Ontario
5. Milk Producers Co-ordinating Board
6. Ontario Fertilizer Board
7. Stallion Enrolment Board

### *Department of Health*

8. Cemeteries Advisory Board
9. Commission for the Investigation of Cancer Remedies
10. Council of Nursing

### *Department of Labour*

11. Committee for the Designated Building Trades
12. Committee for the Designated Trade of Barber
13. Committee for the Designated Trade of Hairdresser

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- 14. Committee for the Designated Trade of Motor Vehicle Repairs
- 15. Committee for the Designated Trade of Worker in Servicing and Installing Air-Conditioning and Refrigerating Equipment
- 16. Ontario Anti-Discrimination Commission

### *Department of Mines*

- 17. Sulphur Dioxide Committee

### *Department of Municipal Affairs*

- 18. Municipal Advisory Committee

### *Department of Provincial Treasurer*

- 19. Civil Service Board of Review <sup>2</sup>
- 20. Joint Advisory Council (re Civil Service) <sup>2</sup>

### *Department of Public Welfare*

- 21. Board of Review
- 22. Medical Advisory Board

### *Department of Reform Institutions*

- 23. Training Schools Advisory Board

### *Department of Transport*

- 24. Research Advisory Committee

### *Department of Travel and Publicity*

- 25. Ontario Archaeological and Historic Sites Advisory Board.

Mention has been made of the growing scale and complexity of governmental activities and the prospects are that these tendencies will continue. In these circumstances advisory bodies are a useful means by which special knowledge or experience may be brought together or by which interested and informed groups can participate in the formulation of policies or procedures which concern them. We regard the use of such bodies as desirable and at times necessary, and we feel no concern that their number may increase.

At present, there is no uniformity in the designation of these advisory bodies. We would suggest that the word "advisory" appear in their titles and that the term "committee" might also become standard. This is not a point of great importance but there is some merit in adopting titles that are indicative of the kind of function that is involved. We would further suggest that appointments and changes in memberships be announced in the *Ontario Gazette*.

<sup>2</sup> Not presently attached to the Department shown. See discussion under the heading Civil Service Commission on pages 58-9.

The estimated financial requirements of advisory committees and a record of their expenditures should be included in the statements of the departments to which the committees are attached. Apart from this we do not think it necessary in the great majority of cases for such advisory committees to prepare annual reports on their activities.

## DEPARTMENTAL AGENCIES

We have used the term “departmental agencies” to describe a second group of organizations made up of individual officials, authorities and other bodies that sometimes are included in compilations of the boards and commissions in Ontario, but which in our view should properly be considered as a part of the departmental organization that is responsible for them. There are eighteen such departmental agencies, as follows:

*Department of Agriculture:*

1. Ontario Telephone Authority
2. Ontario Telephone Development Corporation
3. Ontario Junior Farmer Establishment Loan Corporation <sup>3</sup>
4. Co-operative Loans Board of Ontario <sup>3</sup>
5. Ontario Agricultural College <sup>4</sup>
6. Ontario Veterinary College <sup>4</sup>
7. Macdonald Institute <sup>4</sup>

*Department of the Attorney General*

8. Accountant of the Supreme Court of Ontario
9. Commissioner of Police for Ontario
10. Office of the Fire Marshal
11. Official Guardian
12. Public Trustee

*Department of Education*

13. Defence Training Board <sup>3</sup>

*Department of Labour*

14. Industry and Labour Board

*Department of Lands and Forests*

15. Lake of the Woods Control Board <sup>3</sup>

<sup>3</sup> Inter-departmental or inter-governmental agencies.

<sup>4</sup> These institutions are something more than departmental agencies but at present they report through the Deputy Minister of Agriculture.



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### *Department of the Provincial Treasurer*

16. Ontario Municipal Improvement Corporation <sup>5</sup>
17. Province of Ontario Savings Offices
18. Housing Corporation Limited <sup>5</sup>

Generally, the agencies in the group are differentiated from the typical branch or division organization commonly used in departments because of some particular feature of their functions. Thus, the Accountant of the Supreme Court and the Public Trustee are constituted as “bodies corporate” to establish separate legal status in conjunction with their handling of funds for designated purposes. The Industry and Labour Board, composed of officials in the Department of Labour, administers among other things *The Industrial Standards Act*. Employers or employees may appeal to the Board on such matters as working hours or minimum wage schedules. The board form of organization is well suited to this function, bringing to it a form of “collective” administration rather than administration under a single official.

Also included in the group are a number of inter-departmental or inter-governmental agencies. Several of these are engaged in lending operations for designated purposes and separate corporate status has been given to them.

Responsibility for policy and operations, financial accountability and the procedures for personnel administration of these departmental agencies do not, and should not, differ from those which have been long-established under departmental administrative practices. This means that:

- the provisions of *The Public Service Act* should apply in all respects to the personnel of such agencies;
- channels of responsibility should extend through the deputy ministers, and ultimately to the ministers, of the departments concerned;
- the financial requirements and accounts of such agencies should be included in the budgets of the departments to which they are attached; and
- methods of accounting, financial supervision and audit provisions should be the same as those used for the departments.

<sup>5</sup> Inter-departmental or inter-governmental agencies.

## MINISTERIAL AGENCIES

The third group of subordinate agencies is made up of boards, commissions and similar bodies which have been given semi-independent status outside the normal departmental structure. These agencies should report to the Legislature through various ministers of the Crown and for this reason we have designated them for present purposes as “ministerial agencies” to distinguish them from the “departmental agencies” which essentially are part of the departmental organization and responsible to the deputy ministers. There are 32 such ministerial agencies, as follows:

### *Minister of Agriculture*

1. Ontario Food Terminal Board
2. Ontario Stock Yards Board
3. Milk Industry Board of Ontario
4. Farm Products Marketing Board and local marketing boards

### *Minister of Education*

5. Teachers' Superannuation Commission

### *Minister of Health*

6. Alcoholism Research Foundation <sup>6</sup>
7. Ontario Cancer Institute (Princess Margaret Hospital)
8. Ontario Cancer Treatment and Research Foundation
9. Ontario Hospital Services Commission
10. Board of Directors of Chiropractors
11. Board of Directors of Drugless Therapy
12. Board of Directors of Masseurs
13. Board of Directors of Osteopathy
14. Board of Directors of Physiotherapy
15. Board of Examiners of Embalmers & Funeral Directors
16. Board of Examiners of Optometry
17. Board of Regents of Chiropody
18. Governing Board of Dental Technicians

### *Minister of Labour*

19. Board of Examiners of Operating Engineers

### *Minister of Planning and Development*

20. Ontario Research Foundation
21. Ontario-St. Lawrence Development Commission

<sup>6</sup> Not presently attached to the Minister shown.

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### *Minister of Public Welfare*

- 22. Soldiers' Aid Commission

### *Minister of Public Works*

- 23. Ontario Northland Transportation Commission
- 24. Ontario Water Resources Commission

### *Minister of Reform Institutions*

- 25. Board of Parole

### *Minister of Travel and Publicity*

- 26. Board of Censors

### *Provincial Treasurer*

- 27. Ontario Racing Commission
- 28. Liquor Control Board of Ontario <sup>7</sup>
- 29. Civil Service Commission <sup>7</sup>
- 30. Public Service Superannuation Board <sup>7</sup>
- 31. Ontario Parks Integration Board

### *Other*

- 32. Niagara Parks Commission <sup>8</sup>

As already indicated, the principal link between these ministerial agencies and the Legislature are the ministers of the Crown. It is through the ministers that the agencies report to the Government and the Legislature. As in the case of the ordinary government departments we would expect the minister concerned to report directly on the boards and commissions which come under his general direction and to accept responsibility for such reports. The minister's responsibility relating to these boards and commissions, however, should not extend to their day-to-day operations, as is the case with government departments.

If they are to be effective in their work, ministerial agencies must be given considerable freedom within the scope of the duties and responsibilities that are delegated to them; within this scope the agencies themselves should work out the policies, practices and procedures they will follow or apply. But in all cases these should be acceptable to the minister concerned. If there should be disagreement between an agency and the designated minister or the Government, the agency's policy should be altered until agreement can be reached. Ultimately, responsibility for the general performance of these agencies must be accepted by the ministers and the Government. There can be no compromise on this.

<sup>7</sup> Not presently attached to the Minister shown.

<sup>8</sup> The Commission is under the Chairmanship of the Minister of Labour.



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If the principle of ministerial responsibility is accepted with respect to the broad policies of ministerial agencies, as well as over all other parts of the governmental machinery as we think it should be, then ministers should not sit as members on boards and commissions, i.e., on ministerial agencies. The decisions taken by a board are collective decisions. Sitting as a member, the minister could be outvoted on a matter of policy by the other members of the board, despite the fact that it must be the minister who accepts ultimate responsibility for the policies of the boards assigned to him.

A situation such as this would contradict the whole theory and purpose of responsible government by the elected representatives of the people. It would mean that a minister might be called upon to defend particular policies in the Legislature with which he personally did not agree but which had been approved by a majority of the board on which he served as a member. The minister would thus be placed in a position of responsibility without authority, a position that might work for a time but which eventually might well prove to be untenable.

However, ministers should be free to attend meetings of boards and commissions responsible to them in order that they may be fully informed about the matters which come up for policy decisions. Whether they do this simply as the responsible ministers or as non-voting *ex officio* members of such bodies is unimportant. We suggest that it should be the duty of the regular members of boards and commissions to make the necessary policy decisions with the minister retaining his prerogative not to approve them if, in his judgement, he thinks they are contrary to the general public interest. In this way the pre-eminent position of ministers of the Crown will be preserved.

We comment more particularly on nine of the ministerial agencies in the following paragraphs.

### **Liquor Control Board of Ontario**

At the present time this Board is assigned to the Provincial Secretary. In the listing on page 56, we have shown it under the Provincial Treasurer. A substantial portion of the total revenue of the Province comes from the Liquor Control Board annually and for this reason the Provincial Treasurer of necessity must keep in close touch with its operations. We suggest that he be assigned responsibility for it.

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### **Civil Service Commission**

While our Committee is principally concerned with the relatively impersonal matter of government organizational arrangements, we are acutely aware of the fact that the successful operation of this very large and complex organization depends primarily upon the initiative and efficiency of those who serve in it. In recent years, the civil service in Ontario has expanded rapidly and has been strengthened. In the course of our enquiry we have been impressed by the many able men and women who serve the Province with devotion and distinction.

There is no doubt that the business of the Province will continue to increase and that the demands placed upon the ministers and their deputies will grow apace. If, as they should be, these officials are to be left sufficiently free of administrative detail to give the necessary attention to the development of policy matters, the senior and intermediate ranks in the service must be able to absorb the increased responsibilities assigned to them. The role of the Civil Service Commission in further up-grading and strengthening the service—in particular, with reference to recruitment, personnel training and the development of programs for the extension of career opportunities in the service—will thus become increasingly important.

The Civil Service Commission in Ottawa was given a high degree of independence following the reforms introduced after World War I. This was designed to ensure that the service would be free from political considerations or pressures in any form. The members of that Commission, while appointed by the Governor in Council, hold office during good behaviour for a period of ten years and are eligible for reappointment. Secondly, they are removable by the Governor in Council only on address of the Senate and House of Commons. The effect of the latter provision is that the Commission, while it reports through a designated minister, is responsible to Parliament.

We do not recommend that similar provisions be made for the Civil Service Commission of Ontario at this time. The position of this Commission is still evolving and more time will be required to work out what, ultimately, the scope of its duties is to be. This is illustrated by the matter of departmental establishments where the responsibilities of the Commission in relation to that of the Treasury and the Treasury Board are not yet clear. Nevertheless, consistent with the growth and up-grading of the civil service which we anticipate, we would expect the Civil Service Commission in Ontario to move toward increasing independence along the lines of the procedures and practices now followed in Ottawa.

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In the list of ministerial agencies on page 56, the Civil Service Commission is shown under the Provincial Treasurer; it, too, is currently assigned to the Provincial Secretary. Reassignment under the Provincial Treasurer is desirable in our view because much of the work of the Commission—in regard to such things as job classification and pay schedules—has important implications for government expenditures. The change which we suggest recognizes organizationally a need for close co-ordination between the Commission and the Treasury which in practice exists.

### **The Public Service Superannuation Board**

We suggest that the Public Service Superannuation Board should also be transferred to the Provincial Treasurer since it too is concerned with civil service matters. Until quite recently the Provincial Secretary served as the Chairman of this Board but under present arrangements, the Board is assigned to him for administrative purposes. Its membership now comprises three members, one of whom must be a representative of the Civil Service Association of Ontario, appointed by the Lieutenant-Governor in Council, and the Chairman of the Civil Service Commission who is *ex officio* a member.

Apart from the fact that the Superannuation Board should be assigned to the Provincial Treasurer as a logical companion transfer to that of the Civil Service Commission, the Treasurer's Department now handles the clerical and statistical work in connection with pension deductions from payroll and the maintenance of pension records. Thus the Treasury and the Board are frequently brought together in the course of their work.

Consistent with the foregoing recommendations for the re-assignment of the Civil Service Commission and the Superannuation Board to the Provincial Treasurer, it will be recalled that in dealing with advisory bodies we also listed the Civil Service Board of Review and the Joint Advisory Council under his Department.

### **Farm Products Marketing Board**

This Board is responsible for executing and supervising plans regulating the marketing of certain farm products within the Province. More specifically, its duties may be summarized as follows:

- the Board receives requests from groups of producers seeking the



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approval of marketing plans. If the group represents 15% of the producers affected, the Board investigates and considers the plan.

- if satisfied that the plan will promote more efficient marketing of the product in question, the Board arranges for a plebiscite of the producers who would be affected by the plan.
- if approved by plebiscite, the Board recommends approval of the plan by the Minister of Agriculture (who in turn seeks the approval of the Lieutenant-Governor in Council).
- the Board is empowered to make regulations with respect to any regulated product—that is, with respect to the operation of a marketing plan. Additionally, it may delegate certain regulatory powers to the local marketing board which administers the plan.
- the Board exercises general supervision over the operation of the marketing plan.

We recommend that in future the responsibilities of the Farm Products Marketing Board be limited to the first three functions listed above. The purpose of these functions is to leave the development of marketing plans to the self-determination of the farm groups concerned. The duties of the Board, in essence, are to screen new proposals and to supervise the voting procedures which will ensue. These functions are well suited to a board form of organization.

As a matter of government policy, plans that have the support of the majority of the farmers affected may come into operation with the approval of the Lieutenant-Governor in Council. These plans merely constitute the local boards but give them no powers. Where plans are approved, extensive powers are delegated to the local marketing boards by the Farm Products Marketing Board. Thus, the latter may authorize a local board to require any person producing or marketing a regulated product to register with the local board; to inspect the books and premises of such persons; to prohibit the marketing of any grade or size of any regulated product; to fix and allot quotas and to prohibit any producer from marketing the product in excess of the quota allotted to him; to require all persons engaged in marketing the regulated product to obtain a licence from the local board and pay licence fees; to require such persons to file proof of financial responsibility; and to regulate and control the time and place at which the product may be marketed.

There are two alternative methods under which marketing plans may be operated. One method involves the setting up of a negotiating

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committee under a plan, consisting of producer and buyer representatives. The Farm Products Marketing Board empowers the committee to negotiate minimum prices and conditions of sale for the regulated product concerned. There is further provision for the appointment of an arbitration committee where the negotiating committee is unable to reach an agreement. Agreements must be approved by the Farm Products Marketing Board and then have the force of law. Under such an agreement, producers of the regulated products are free to market their crops where they choose but subject to the negotiated price agreements. At present, some 12 marketing plans covering 25 farm crops operate in this way.

The second method under which marketing plans may operate is under a marketing agency. Under this method a corporate agency, appointed by the Farm Products Marketing Board on recommendation of the local board concerned, takes over all phases of the marketing of the regulated product and imposes charges for its services, fixed by the local board. Prices and conditions of sale are set from day to day by the agency. Under this single sales agency method, the producers relinquish their right to decide the time, place or terms of sales. Two plans function in this way.

The operations of these local boards, negotiating committees and marketing agencies are subject to general but not too well-defined supervision by the Farm Products Marketing Board. However, at the last session of the Legislature, the Board was given power to limit or revoke any order made by a local board or marketing agency.

The power of the Farm Products Marketing Board to delegate extremely broad legislative powers to local boards and marketing agencies is in its discretion and not subject to the approval of the Lieutenant-Governor in Council, as we believe it should be. We suggest that in future, the powers and responsibilities of the local boards, committees and agencies be incorporated in the Order in Council approving the plan so that the plan will be comprehensive and that responsibility for supervising the powers resides with the Department of Agriculture.

## **Parks Administration**

Three of the ministerial agencies listed on pages 55-6 are concerned with Provincial parks administration. Two of these manage specific park areas assigned to them; these are:

- the Ontario-St. Lawrence Development Commission, having jurisdiction according to its last report over some 5,700 acres of land



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located between the Quebec border and Adolphustown near Picton. This Commission, established in 1955, is a nine-man body, with its members appointed by the Lieutenant-Governor in Council. It reports annually to the Minister of Planning and Development.

- the Niagara Parks Commission, with jurisdiction over about 3,500 acres of park lands extending from Old Fort Erie to Fort George at Niagara-on-the-Lake. This is the oldest Commission in Ontario: provision was made for the appointment of a board of commissioners under the name of “The Commissioners for Niagara Falls Parks” in 1885. Its members are also appointed by the Lieutenant-Governor in Council, subject to stated statutory requirements as to the appointment of representatives from certain municipal councils in the Niagara area.

Jurisdiction over all other Provincial parks is assigned to the Minister of Lands and Forests. However, a third agency—the Ontario Parks Integration Board—is in effect a senior body charged by the Act which created it in 1956 with the responsibility of establishing integrated policies for the management and development of the Provincial and the “Commission” parks, and apportioning and distributing funds for the operation of the parks.

Membership of the Parks Integration Board comprises the Minister of Lands and Forests, the Provincial Treasurer, the Minister of Planning and Development, the Chairman of the Ontario-St. Lawrence Development Commission and the Chairman of the Niagara Parks Commission. The Board has a permanent secretary and is assisted by an advisory committee consisting of senior officials of the Departments of Lands and Forests, Planning and Development, and Public Works, and of the two parks Commissions.

The Board is not concerned with the active administration or management of parks in the Province. It functions as a policy-making body and its activities have chiefly to do with the acquisition or disposal of park lands, review of such capital projects as may be contemplated and of the budget estimates; for parks purposes, of the Department of Lands and Forests and the Ontario-St. Lawrence Development Commission. It does not approve the budget estimates of the Niagara Parks Commission since this is a self-sustaining body, financing its operations out of revenues and not from funds voted by the Legislature.

All the parks in Ontario could of course be administered within a single department but the foregoing arrangements have some advantages.



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The separate organization of the two parks commissions locates the active management of these two important parks systems in the areas concerned. At the same time, the Parks Integration Board makes possible the unification and co-ordination of policies and activities with respect to all parks over which the Province has jurisdiction. The Board also provides representation to the Minister of Planning and Development who, apart from being the Minister to whom the Ontario-St. Lawrence Development Commission reports, has an interest in parks development through his responsibilities in regard to the establishment and operation of conservation areas throughout the Province.

We suggest, however, that these arrangements be modified somewhat. In particular, we suggest that the Parks Integration Board should become a committee of the Executive Council, after the fashion of the Treasury Board. We believe that a co-ordinating group such as the present Board is desirable but that its responsibilities, both with respect to the establishment of policy and the approval of parks projects and expenditures relating thereto, are governmental responsibilities which should be discharged by ministers of the Crown. The statutory provisions designating the Chairmen of the Ontario-St. Lawrence Development Commission and the Niagara Parks Commission as members of the Board should be deleted, and replaced by designated ministers.

We also recommend that the present reporting procedures for the two parks Commissions and the Board be changed. At the present time, the Board is chaired by the present Minister of Labour but it reports annually to the Provincial Treasurer and its reports are submitted to the Lieutenant-Governor in Council and the Legislature by the Provincial Secretary. The Niagara Parks Commission, which is also under the Minister of Labour's chairmanship, files its reports with the Provincial Secretary for transmittal to the Executive Council and the Legislature. And the Ontario-St. Lawrence Development Commission, reporting to the Minister of Planning and Development, also files its reports with the Provincial Secretary for transmittal as in the other two cases.

In line with our comments regarding ministerial agencies generally, we believe that these agencies should continue to report to designated ministers, as they do now, but the ministers should themselves report to the Executive Council and to the Legislature. The designated ministers should assume responsibility for the broad policies of the agencies and for their general performance, and should act as spokesmen on these matters in the Legislature.

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### **Board of Parole**

This Board reviews the cases of prisoners serving indeterminate sentences in Ontario and it may, under certain conditions, grant release on parole to such prisoners.

*The Parole Act* provides for the establishment of the Board, which may be composed of nine members, including a Chairman, appointed by the Lieutenant-Governor in Council. The Chairman may be paid an annual salary but members receive per diem allowances, plus travelling expenses, for meetings attended. At the present time, the chairmanship is vacant and the Board consists of six members serving on a part-time basis.

Under the Act provision is also made for the appointment of a secretary to the Board, a chief parole and rehabilitation officer and such additional parole and rehabilitation officers as may be deemed necessary. The Act appears to contemplate that these personnel would be attached to the Board itself but in practice they are regarded, and regard themselves, as departmental employees. Purely from an administrative standpoint, this situation seems to have arisen out of the difficulty of maintaining the required direction from, and liaison with, the Board as presently constituted.

It has been suggested to us that these arrangements should be reviewed. In part this is based on the fact that the work of the Board is increasing. In the fiscal year ending March 31, 1959, over 2,000 cases were reviewed by the Board and some 1,300 paroles were granted. These figures were, respectively, about 50 per cent and almost 80 per cent over those of five years ago.

Secondly, parole and rehabilitation are increasingly regarded as related functions with the result, particularly in regard to rehabilitation programs, that closer and more continuous administrative attention is needed than can be provided under present arrangements.

Subject to such changes as may be made in the Federal-Provincial division of responsibilities in this field, we believe there is merit in the suggestion made to us that these activities should be handled by a smaller board devoting full time to its work. This Board would administer all parole and rehabilitation matters as integrated functions. It would report to the Minister and he, in turn, would be responsible for its policies and general performance.

### **Soldiers' Aid Commission**

This agency, as its name implies, renders assistance principally in the form of grants to Ontario veterans of the Canadian Armed Forces,

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their families or the widows of veterans. The Commission, which was set up in 1915, consists of five members who serve without remuneration, and a staff of three. Its funds are derived principally from the Kathleen Hammond Fund and grants from the Province. The latter has amounted to \$20,000 per annum, of which \$13,000 goes to cover the Commission's administrative expenses.

The provisions of the Hammond Fund restrict its use to assistance to widows whose husbands died in military service in World War I. As the number of such widows will inevitably decrease, the ratio of costs of operation to benefits paid out will continue to rise. We suggest that at the appropriate time consideration be given to altering, by legislation if need be, the provisions of the Hammond Fund. When that time comes the Commission might be wound up and the administration of aid to veterans and their dependents transferred to the Department of Welfare.

## QUASI-JUDICIAL AGENCIES

The fourth group of agencies is made up of those whose functions, or an important part of whose functions, may be described as quasi-judicial. There are nine such agencies; they are shown below under the ministers to whom they are, or in our view should be, assigned:

### *Minister of Municipal Affairs*

1. Ontario Municipal Board

### *Minister of Transport*

2. Ontario Highway Transport Board

### *Attorney-General*

3. Ontario Securities Commission

### *Provincial Secretary*

4. Liquor Licence Board

### *Minister of Energy Resources*

5. Ontario Fuel Board

### *Minister of Mines*

6. Mining Commissioner
7. Sulphur Fumes Arbitrator

### *Minister of Labour*

8. Ontario Labour Relations Board
9. Workmen's Compensation Board



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We spoke in Chapter 2 of the difficulties of attempting any general classification of the “acts” of subordinate agencies and this is particularly true of the agencies listed above. Though we have grouped them within a single category, there are important differences among them. We shall be able to make a number of comments of general application to them but these are supplemented by a subsequent discussion of several of the agencies individually.

The demands made upon these bodies are, in a sense, conflicting. The Legislature has delegated to them regulatory or minor legislative powers which it has been unable itself to spell out in detail. While generally providing a number of standards in the governing statutes, it has left to these bodies the task of fashioning further standards as needed in the complex circumstances of the cases that will be met. But it has not been, or should not be, the intention that these additional policy standards bear no relation to Government policy and the wishes of the Legislature. They must do both and so the Government must retain responsibility and the Legislature must retain the right to approve or disapprove.

If these were the only considerations, it would be quite possible to delegate these regulatory or minor legislative powers to a minister. But the use of quasi-judicial bodies is seen as having other advantages. They may hold hearings, allowing all affected parties to advance or defend their positions. In this way, the “legislative rulings” of these bodies are often developed by what amounts to a process of arbitration. Also, in their judicial aspect, these bodies bring to this process something of the independence or, as is sometimes said, the freedom from partisan considerations or pressures, which is in the tradition of our courts.

It is said of the Crown corporation that it combines the initiative of private enterprise with the powers of government. In much the same way, quasi-judicial bodies permit flexibility in the administration of broad government policy while providing the safeguards of judicial practices and procedures. These bodies are rightly described as “administrative tribunals”, which in itself is a conflict of terms. In their “administrative” capacity they are accountable to the Government and the Legislature; as “tribunals” they must be accorded a measure of independence.

This conflict can only be resolved in favour of accountability. There can be no absolute grant of power, even within a given jurisdiction. While authority has been delegated, responsibility has not. We argue from this that ministerial responsibility should invariably be preserved.

As applied to quasi-judicial bodies, the meaning of ministerial re-

sponsibility is, in many ways, similar to that for the ministerial agencies previously discussed. The designated ministers will not be responsible for the day-to-day operations of these bodies, but will be expected to be generally familiar with their work. The ministers and the Government must ultimately accept responsibility for the general performance of these bodies, and conversely the agencies must be accountable to them, and through them to the Legislature.

With much truth one English authority has said that the primary safeguard in the exercise of powers such as these is that they be delegated to an able and trustworthy authority. In this respect, we in Ontario are singularly fortunate. But it is equally true that the legislative arrangements must contemplate the possibility of a drastic or unwise administration. Thus, again, it is essential that the channels of accountability through the responsible ministers be left open, that the ministers, the Government and the Legislature be kept informed of the agencies' views on public policy and concur in them.

The furnishing of annual reports and the practice of giving reasons for decisions operate to strengthen further the accountability of the agencies by informing the public and the Members of the Legislature of their work. We shall not repeat here the views which we have already expressed on these matters but in regard to annual reports we would add the specific suggestion that these should be submitted by the agency concerned to its responsible minister for transmittal by him to the Lieutenant-Governor in Council and the Assembly.

Lastly, the responsibility of the Government—and its corollary, the accountability of the agencies—becomes firmly fixed by following as far as possible the practice either of empowering the Lieutenant-Governor in Council to make regulations under the governing statute or, where the agencies may make regulations, of requiring that these be approved by the Council. There are obvious exceptions to this. Clearly, unless the purposes of delegation are to be defeated, the practice would not apply to individual rulings or orders handed down by an agency in specific cases. But where the regulations have any generalized effect on substantive or property rights, approval of the Council should be required.

In this connection we would also recall our earlier comments on the importance of codes of procedure and practice. We had said that uniform or minimum codes would, in our view, be unworkable or inadequate. But we suggested that they should be as uniform as possible and we favoured a procedure whereby they would be subject to review by law officers of the



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Crown. We also believe that such codes, or rules, of practice and procedure should be subject to the approval of the Council.

The foregoing comments apply generally to the quasi-judicial bodies listed on page 65. For some of these bodies, however, qualifying notes must be added. In some instances, too, we have further specific recommendations to make. These are given below under the heading of the particular agency to which they apply. Not included in these subsequent sections is the Ontario Municipal Board for which our recommendations have already been given in Chapter 3.

### **Liquor Licence Board of Ontario**

In our earlier comments on privative clauses we have already recommended that that clause in *The Liquor Licence Act* should be repealed.<sup>9</sup> We believe that decisions of the Board should be appealable to the courts on questions of law or jurisdiction.

We believe also, as we said in Chapter 2, that a distinction can be made between an act of granting a licence and an act of cancellation, suspension or failure to renew. The former, where the licensing policy is restrictive, may involve the exercise of discretion. In such instances, it should not be possible, by means of appeal, to have the court substitute its discretion or view of policy for that of the Board. But we believe that decisions by the Board suspending, cancelling or refusing to renew liquor licences should be appealable to the courts on all counts.

Very wide powers have in fact been given to the Liquor Licence Board to cancel licences for the sale of spirits to the public. It may do so if, in its opinion, the licence holder “is not a fit and proper person”. However, *The Liquor Licence Act* also stipulates a number of circumstances when the Board shall cancel a licence and it is our understanding that the practice of the present Board has been to cancel a licence only when the holder commits an offence or act that disqualifies him from having a licence for reasons specifically set out in the Act.

This policy of the Board appears to us to be sound. The effect of it, in practice, is that the Board has eliminated the element of “discretion” in cancellation cases; as matters now stand, licences are cancelled for offences stipulated in the statute. This would appear to clear the way for appeals from such decisions to the courts. We recommend that the Act be amended permitting such appeals and that this be extended to suspension of or fail-

<sup>9</sup> *The Liquor Licence Amendment Act, 1951, S.1.*



ure to renew a licence. In all instances, however, licences would be under suspension pending appeal.

The provision of an appeal procedure in the instances we have been discussing raises further implications for the procedures and practices followed by the Liquor Licence Board. Thus it would be necessary for the Board, in cases involving cancellations, etc., to follow closely the procedures of an ordinary court in such matters as notice of a hearing, evidence under oath, transcription of testimony, and so on.

Related to this, but having broader application, we recommend that the Board give reasons for its decisions. By *The Liquor Licence Amendment Act, 1951*, the Board is now required to give reasons at the time of the hearing where a licence is suspended. The availability of appeal in cases of cancellation or failure to renew, as well as suspension, would require that this practice be followed in all three instances.

Reasons should also be given where an application for a licence is refused. Appeals in such cases would be limited to questions of law or jurisdiction only but we believe the practice of giving reasons, even though they be brief, is desirable. Further to this, reasons should be recorded and open to inspection by third parties.

## **Ontario Securities Commission**

This Commission is charged with the regulation and supervision of the sale and distribution of securities in Ontario. *The Securities Act* requires the registration (annually) of brokers, dealers, salesmen, investment counsel, etc., in the securities field. By Section 7 of the Act, the Commission grants or renews registrations where in its opinion "the applicant is suitable for registration and the proposed registration is not objectionable". By Section 8, the Commission may suspend or cancel any registration "where in its opinion such action is in the public interest". Secondly, for certain types of companies as defined in the Act, trade in any security "which would be in the course of primary distribution to the public" is prohibited until a prospectus has been filed and accepted by the Commission.

The powers outlined above are not normally exercised by the full three-man Commission. The Chairman devotes his full time to the work; the other two members are called in from time to time when there are important questions which should be decided by the Commission as a whole.

The functions of the Commission are in part administrative and in part quasi-judicial. In practice, the Chairman and the permanent staff of

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the Commission are responsible for what are predominantly administrative matters; that is, the routine work in connection with registrations and prospectuses. To this extent they operate in much the same way as they would do if they were a part of the departmental system of the government.

Neither the granting of registrations nor the acceptance of prospectuses rests on policies which are restrictive in the sense of a quantitative limitation. The primary aim, rather, is to provide protection to the general public from undesirable practices, or practitioners, in the securities field. Thus the Act deals at length with the information which must be given in prospectuses and it details a number of practices which are expressly forbidden in connection with the selling of securities. Normally, the matters coming to the Commission easily conform to what is desirable or required or permitted within the meaning of the Act. The full Commission does not, and need not, become involved.

At the same time, to strengthen the protection afforded by the Act, and as we have said elsewhere because all situations could not be anticipated, the Act also provides for flexibility of interpretation. Hence the wording that an applicant must be "suitable", a registration "not objectionable", and so on. Such phrases are used in recognition of the complexity of the subject in question. In delegating these discretionary powers, the Legislature composed a three-man Commission perhaps to safeguard the exercise of the powers but principally to provide a tribunal before which the more difficult or complex cases could be heard.

It is important to the conception of organization just discussed that the administrative head also serve on the three-man Commission. The intention is not that doubtful or questionable matters should be taken out of the administrative machinery but rather that they should receive the attention of the three-man Commission in plenary session. Therefore we believe that in the circumstances the present arrangements are essentially sound. If, as must be admitted, these arrangements seem to create a conflict in the roles assigned to the Chairman, the appropriate safeguards lie in preserving governmental responsibility and in the statutory provisions for appeal.

As to the former, we suggest that the Commission be required to submit an annual report to a designated minister for transmittal by him to the Lieutenant-Governor in Council and the Legislature. It is worth noting that, under the Act, either the Commission (upon a sworn complaint), or the Attorney General, may order an investigation into any matter regarding trade in securities. Moreover, proceedings against offenders can only



be instituted “with the consent or under the direction of the Attorney General” (Section 64). Thus the Attorney General will already be to some extent familiar with the work of the Commission and it would appear logical that the Commission report to him.

The foregoing suggestions would serve to clarify the responsibility of the Government, through a minister of the Crown, for the regulatory or supervisory functions now performed in its name by the Commission. In another respect, the present securities legislation makes this responsibility quite clear: *The Securities Act* grants to the Lieutenant-Governor in Council, rather than to the Commission, the authority to make regulations under the Act. Thus, for example, the Lieutenant-Governor in Council may make regulations “prescribing requirements respecting applicants for registration”, regulating the listing and trading of securities, prescribing “the form, contents and other particulars” relating to such documents or information as are required to be submitted under the Act.

This procedure tends to limit the Commission’s discretion within the confines of policy as defined by the Lieutenant-Governor in Council, that is, Government policy. To use a concrete example, the regulations may exempt certain classes of persons or companies from registration as investment counsel. A question might arise as to whether, in a particular instance, a person or company fell within a designated class. This would be a matter to be judged on the facts of the case in question and would thus be in the nature of a judicial rather than a policy question. Responsibility for the policy aspect—in the example, the designation of the class—resides with the Government. Responsibility for the interpretation of the policy, primarily a judicial matter, rests with the Commission.

In the performance of its function, the Commission must in the manner of a court be free from improper influence or pressures and it must conduct itself in a judicial manner. In these respects, safeguards are provided in the form of appeals to the courts. Part IV of *The Securities Act* provides for a hearing and review of every “direction, decision, order or ruling” of the Commission if requested by the applicants concerned or by any person (or company) who is primarily affected. This, in the first instance, will mean review by the full Commission but it is further provided that after such review there may be an appeal to a Justice of Appeal of the Supreme Court.

Despite the fact that the Commission’s functions are not wholly of a judicial nature, it is our opinion that these provisions for appeals to the courts on all counts are desirable. The question of what is judicial and



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what is non-judicial is by no means always clear. Against the possibility of restricting appeals unduly, we regard it as preferable that the courts themselves be trusted to confine their review to the judicial aspects of the cases appealed. If, as our comments in Chapter 2 indicated, the history of court opinions in this regard shows inconsistencies, this fallibility must be accepted. As applied to the decisions of the Securities Commission appeals to the courts have rarely occurred. Where they have, and where the appeals turned on a matter of policy, the courts have been disposed at the most to return the case to the Commission for a re-hearing.

### **Ontario Fuel Board**

The duties and responsibilities of the Ontario Fuel Board are set forth in three statutes: *The Ontario Fuel Board Act, 1954*, *The Municipal Franchises Act* and *The Pipe Lines Act, 1958*. The main functions of the Boards under these Acts may be summarized as follows:

- (a) The Board has general powers to control and regulate the location, drilling and abandonment of oil and gas wells and, in the words of the Fuel Board Act, “the production, storage, transmission, distribution, sale, disposal, supply and use of natural gas” in the Province. In the exercise of these powers, the Board carries out a wide range of inspection and licensing functions.
- (b) The Board is responsible for the fixing of rates, meter rentals and other charges “to be paid by ultimate consumers of natural gas”.
- (c) Under the provisions of *The Municipal Franchises Act*, the Board may issue certificates of public convenience and necessity to gas companies seeking to establish distribution facilities to serve a given market area.
- (d) Also under this Act, the Board must approve municipal by-laws granting or renewing gas franchises.
- (e) Under *The Pipe Lines Act, 1958*, leave to construct oil or gas transmission lines must be obtained from the Board. Where leave has been granted, the recipient corporation may apply to the Board for authority to expropriate land for the purposes of the pipe line.

The various functions of the Board are of two types: administrative and quasi-judicial. Its administrative functions stem from the provisions of *The Fuel Board Act* as outlined in (a) above. In delegating the broad

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powers of control and regulation indicated in (a), the intent of the Legislature appears to have been twofold: to ensure the orderly development of the natural gas industry and to safeguard public safety in regard to the production, transmission or distribution, and consumption of natural gas (and in some instances, oil and coal).

We recommend that these supervisory, inspection and licensing functions be transferred to the new Department of Energy Resources. Thus the Department would take over the present powers of the Board to regulate and control:

- the construction, installation, removal or acquisition of works, pipe lines or machinery for the production, storage, transmission, distribution or measurement of natural gas.
- the sale, installation or use of coal-burning equipment and gas or fuel-oil appliances.
- the installation or use of high-pressure vessels for liquefied petroleum gases which are connected with gas appliances.
- the designation of natural gas storage areas.
- the conservation of natural gas and oil, particularly with reference to drilling or production practices or the abandonment or plugging of wells.

In addition, the Department would become responsible for the issuance of licences or permits to or for:

- contractors and dealers in oil and gas appliances.
- persons acquiring oil and gas leases.
- space heating appliances.
- industrial use of gas.
- drilling rigs.

The remaining functions of the present Board, summarized under (b) to (e) opposite, are primarily of a quasi-judicial nature. These functions include: rate-making, issuance of certificates of public convenience and necessity to natural gas companies seeking municipal franchises, approval of municipal by-laws granting or renewing such franchises and granting leave to construct oil and gas pipelines. Under this last function, there may be a further application to the Board for the right to expropriate land.

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The general characteristic of these functions is that they require the Board to observe certain procedures regarding the notification of the parties whose interests are concerned or affected in a particular application and to hold public hearings. These procedures are best administered by a quasi-judicial board.

In recommending that the Board retain these quasi-judicial functions we wish to draw attention to the present statutory provisions in regard to rate-making. The powers of the Board to fix retail rates for natural gas are explicitly set out in *The Ontario Fuel Board Act, 1954* (and Amendments) wherein, by Section 16, it is provided that "the Board may make orders fixing the rates, meter rentals or other charges to be paid by ultimate consumers of natural gas". New or alterations of existing rates, rentals or other charges cannot come into effect until ordered by the Board. It is further provided that unless "the municipality or other interested party and the gas utility concerned" consent, the Board shall hold hearings on rate cases, although it may "without a hearing and without consent" make an order maintaining or reducing (but not increasing) rates for periods of one year or less.

With some oversimplification, the process of rate-making in Ontario may be regarded as having three phases. There is first the establishment of the rate of return that gas utilities will be permitted to earn. Secondly, the "rate base" must be defined: thus, among other things, the types of corporate assets to be included in or excluded from the calculation of the allowable rate of return must be determined. These two phases supply what could be called the "ground rules" in the establishment of rates. We shall return to them in a moment. A third phase involves the study and appraisal of individual rate proposals. The valuation of assets or the treatment of allowable expenses are complex matters which must be analysed in relation to specific proposals. The essential purpose of this phase is to apply the ground rules reasonably to the facts of a given situation.

In this view of the rate-making process, we believe that the ground rules are matters of Government policy. The allowable rate of return, or possibly a range of rates, and the main elements of the rate base should be defined as announced policy with the approval of the Lieutenant-Governor in Council on the recommendation of the responsible minister. It will be necessary that the policy be flexible and that it be changed from time to time as required. The Board, experienced in this area, could be expected to advise and recommend upon these matters; but the responsibility would lie with the designated minister and the Government. Within this framework



of policy the Board would, through its hearings procedure, be responsible for carrying out the third phase of the process.

We are left with the question of appeals from the decisions of the Board. Under Section 23 of the Act the Lieutenant-Governor in Council may “upon petition of any party, all parties first having been given such notice” as the Council deems appropriate, vary or rescind any order of the Board. Furthermore, under Section 24 the Act states that an appeal lies to the Court of Appeal “from any order of the Board made under Section 16, upon any question whatsoever”. We suggest that these appeal provisions seem to be consistent with the division of responsibility outlined above.

In summary, our recommendations are that the administrative functions of the Board—those that involve supervision, inspection and licensing—should be transferred to the new Department of Energy Resources. The Board would retain its quasi-judicial functions, reporting to a designated minister, logically the Minister of the new Department. The Board would thus be accountable through the Minister to the Government and the Legislature. We further recommend, with particular reference to the determination of retail rates for natural gas, that the basic standards of policy to be applied by the Board be established either by statute or by Order-in-Council.

If its present administrative functions are transferred to the new Department, the workload of the Ontario Fuel Board will be considerably reduced. However, at the present stage in the development of the distribution and consumption of natural gas in the Province, it is difficult to gauge the demands which will be made on the Board in carrying out its remaining duties but, should our proposals be implemented, we suggest that when the pattern of its work becomes established consideration be given to reconstituting the membership of the Board.

### **Workmen’s Compensation Board**

Although we have included the Workmen’s Compensation Board in the list of quasi-judicial agencies, we do so with the recognition that its functions are primarily administrative. They are not inherently so. The Board was set up to avoid the need to litigate cases of injuries to workmen by providing that the costs associated with work injuries—medical treatment and care, loss of income—should be borne by employers collectively. The result has been to submerge the legalistic aspect under a broad insurance approach.

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The compelling considerations behind this approach are the need to avoid delay and expense to injured workmen in compensation matters and in these circumstances we agree with the findings of Mr. Justice Roach, following his enquiry into the operation of *The Workmen's Compensation Act* in 1950, that appeals to the courts should not be permitted.

The desirability of an appeal arises, however, in a different context, namely, on questions concerning the extent and nature of a workman's injury and consequent impairment. Occasion for such an appeal—review might be a better word—would arise only after, and perhaps long after, the basic legitimacy of the claim itself was established and would be separate from it. While we do not advocate recourse to the courts in instances of this kind, it is apparent that a special burden rests upon the Board's internal procedures to permit disputed cases to come before it easily and quickly, and at any time. It is our understanding that this is, in fact, the policy of the Board.

Additionally, the Act provides that the Board may, on the application of either the workman or the employer, refer cases to a medical referee where there have been differences of findings between medical examiners; Section 22(2) reads as follows:

The medical referee to whom reference is made . . . shall certify to the Board as to the condition of the workman and his fitness for employment, specifying where necessary the kind of employment and if unfit the cause of such unfitness and his certificate *unless the Board otherwise directs* shall be conclusive as to the matters certified.<sup>10</sup>

In describing at our public hearings the procedure followed by the Board when a medical referee is requested under Section 22, members of the Board indicated that the decision of the referee is taken as binding on all parties: the workman, the employer and the Board. In view of this we recommend that the italicized words in Section 22 as quoted above should be deleted.

On a different point, we wish to comment briefly on the handling of funds now held and invested by the Board. Such funds currently total some \$120,000,000. For the most part, these funds represent the capitalized amounts of pensions payable to permanently disabled workmen and charged to employers in the year in which the awards are made.

Under *The Workmen's Compensation Act*, investments are restricted to securities issued or guaranteed by the Province of Ontario or the Dominion of Canada. Within those limitations, purchases and sales of

<sup>10</sup> R.S.O. Chapter 430. Italics added.

securities are handled by an officer in the Purchasing and Investment Department of the Board under the general direction of the Board itself.

The methods by which these funds are obtained and the existence of the funds as such are not matters upon which we feel called upon to comment. We suggest, however, that present investment procedures might be modified to advantage by the setting up of an advisory committee on investments. The committee should include among its members one or more representatives of the Provincial Treasurer's Department. The principal purpose in creating such a committee would be to make available to the Board in a formal way the advice and assistance of Treasury officials who are constantly dealing with the securities transactions of the Province.

We believe that the Board, for the special reasons discussed earlier, should be given a high degree of autonomy in the administration of its affairs. Nevertheless, as is true of any Provincial agency, some measure of accountability must be retained. At the present time, we understand that the Board is assigned to the Minister of Labour. The Act requires that the Board file an annual report with the Provincial Secretary who submits it to the Lieutenant-Governor in Council and tables it before the Assembly. We suggest that the report should be filed with, and the subsequent steps followed by, the designated Minister who would act as spokesman for the Board in the Legislature. We suggest further that the designated Minister should review the operations of the Board periodically so that he may be generally familiar with its work and be prepared to accept responsibility for its policies.

## **HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO**

One of the difficult questions to be resolved in connection with the various boards and commissions is the most appropriate form of liaison and the kind of relationship which should exist between the Hydro-Electric Power Commission of Ontario and the Government and Legislature. Clearly, by no stretch of the imagination can Hydro be classified as just another department of government. Nor can it be compared exactly with other boards and commissions. Two characteristics distinguish it from all others, namely, its unique relationship with most of the municipalities of Ontario, and secondly its size.

The Hydro Commission began as a co-operative trust for certain municipalities and it is argued by some responsible people that it should still be regarded primarily as a trustee for the municipalities rather than as



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another agency of the Provincial government. There is a tradition, originating with the very beginnings of Hydro under the leadership and inspiration of Sir Adam Beck, that the Hydro Commission should be kept out of provincial politics in a partisan sense. For these reasons, a somewhat questioning attitude, a fear of unwise or uninformed interference in Hydro affairs, is sometimes displayed by its officials, by the Ontario Municipal Electrical Association and by members of the public when consideration is being given to the control which the Government and the Legislature should properly exercise over the operations of the Hydro Commission. Such an attitude is understandable when one recalls the upsets of Hydro policies and the disruptions of its staff which occurred in the 'thirties and again in the 'forties at the instigation of the Provincial authorities.

While it is true that Hydro was organized originally as a trust for certain municipalities and that these municipalities have over the years been building up a substantial financial equity in the system, nevertheless the Legislature has always retained an ultimate control over the Commission. The Commission exists by virtue of an Act of the Legislature and its powers may be varied at any time by the Legislature. The Commissioners are appointed by, and at the pleasure of, the Lieutenant-Governor in Council; that is, by the Government of the day. In our view it is right and proper that this should be so. There should never be any thought of the Legislature abdicating its responsibility for the Hydro Commission for two important reasons among others. First, it is only the Provincial government that is in a position to act on the collective behalf of the municipalities that are interested in Hydro. Secondly and probably more significantly, the financial credit of the entire Province is at stake in borrowing the funds necessary to finance the Hydro Commission's undertakings and developments.

We referred previously to the fact that Hydro is much larger than other boards and commissions; in fact, it is one of the largest commercial or industrial organizations in Canada, if that is a correct description for a publicly owned enterprise. Its operations are complex in the extreme, requiring a trained and experienced staff of the highest professional calibre, and it requires a vast aggregation of capital to build the generating stations and the network of transmission lines needed to serve a province as large as Ontario. To finance these capital expenditures the Province of Ontario has pledged its credit to the extent of some \$1,700,000,000 either by direct borrowing for the account of the Commission or by the guarantee of its bonds. This is more than 55% of the total funded and guaranteed debt of

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the Province. The Province will be expected to continue to pledge its credit for Hydro in order to finance future developments and to cover the refunding of existing issues. This will have a direct effect upon the general credit of the Provincial government and upon its ability to raise money for other purposes. Under such circumstances we believe the Government and the Legislature should exercise such control over the affairs of the Commission as may be necessary to ensure that it will not embark upon policies which could be harmful to the credit of the Province as a whole.

Furthermore, because of the tremendous size and increasingly pervasive influence of Hydro's operations throughout Ontario, it is unrealistic to believe that it can be isolated from politics in the more general sense of that term. Certainly it should be safeguarded from partisan politics to the extent that this might mean interference with its policies in the direct interests of the party in power or in the sense of party patronage. But the policies that it pursues affect the daily lives of the citizens of this Province and to this extent Hydro inevitably is and will continue to be "in politics". If the people of the Province become dissatisfied with the policies of Hydro, they may be expected to blame their elected representatives and the Government of the day. It follows that members of the Legislature should be fully informed about Hydro affairs and should have an opportunity to express their views about its policies and financial operations.

When the Hydro Commission was reorganized in 1947, a clear delineation was recommended between the responsibilities of the General Manager and those of the Commission. The General Manager is responsible for implementing policies approved by the Commissioners, for the administration of the Hydro's operations and for supervising and directing its staff. The Commissioners, who are appointed by the Government, are responsible to it for the policies decided upon and for the overall supervision of the affairs of the Hydro Commission. It is not their function, however, actively to manage the day-to-day operations of the Commission or to give direct instructions to members of its staff except through the General Manager. In this way it was hoped that the Commissioners, or in practice the Chairman of the Commission, would be able to keep the Government fully informed about what was going on. At the same time the staff of Hydro should be safeguarded from the possibility of political interference in their day-to-day work.

If such a distinction is to work well in practice, it is essential that the Commissioners appointed by the Government be men who are sensitive to, and understanding of, the pressures of public opinion to which any



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Government is subjected. It follows from this that, in part at least, the role of the Commissioners is in a sense a political one, assuming the broadest interpretation of that term. Their responsibility must be to the Government. By this we mean that while they should always be ready to stand up against pressures of an improper character if such pressures should ever be exerted, they should, generally speaking, be prepared to adopt a reasonably sympathetic attitude to the Government's point of view on important questions of policy. In other words, they must accept the fact that in the last analysis, it is the Government and the Legislature who represent the electorate in the framing of and carrying out of policy.

The staff of the Commission, on the other hand, including the General Manager, are in quite a different position. They should not be held responsible for policy decisions, even though their advice may, and in fact should, be sought and freely given before such decisions are made. It is most important, however, that the staff should have a sense of complete security from political interference or questioning. The Commissioners should act as a buffer between the Government or members of the Legislature and the permanent staff.

A new Department of Energy Resources was created at the last session of the Legislature with a view to co-ordinating policies respecting the distribution and use of all forms of energy throughout the Province. No precise statement has yet been made respecting the relationships which should exist between the Minister of Energy Resources, the Hydro Commissioners and the General Manager and staff of the Hydro. These relationships will need to be developed with care, foresight and understanding on the part of all concerned if the essential independence of Hydro is to be maintained and its usefulness unimpaired. The Minister must, of course, be thoroughly familiar with the broad framework of Hydro's operations, with its plans for growth and development and with the more important of its operating policies. If from time to time, it should happen that the Minister did not agree with any of the more important policies being pursued by the Hydro Commission, every effort should be made to arrive at a reasonable compromise which would be satisfactory to all those concerned. In practice, reasonable men are usually able to find a middle course which will meet the wishes and opinions of those involved. But if this cannot be done, then the views of the Minister must prevail if he has the support of the Prime Minister and of his Cabinet colleagues. Clearly, the Minister must be in agreement with all important policies of the Commission on which he must report to the Legislature and for which he will be held responsible.



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Having said this, we believe it would be most unfortunate if the Minister or his officials became involved in anything more than Hydro's plans for growth and development and the more important of its operating policies. If the Minister or his departmental officials should be tempted to take an active part in the day-to-day administration of Hydro or to participate in the great variety of decisions that have to be dealt with in the course of its large and complex operations, the positions of the Chairman and members of the Commission would become, if not redundant, at least less important than they are now. If the Commissioners were willing to continue to serve in such circumstances, there would be a danger that they would tend to become more involved in the routine operations of Hydro than they now are with a resultant disruption to the technical and professional staff. This is not desirable in the interests of the efficient operation of the enterprise.

Furthermore, under such conditions it might become more difficult to obtain men of first-class ability to serve on the Commission or on its staff. As has been said before, Hydro is too large and complex an organization to be administered effectively as a department of government. It does operate effectively as a more or less autonomous institution which is allied to the departmental structure of government without being a direct part of it. Every effort should be made to see that there is full and whole-hearted co-operation between Hydro officials and government civil servants; that there is a continuous and smoothly working relationship between the Commission and the Minister of Energy Resources; that the Minister is kept fully informed about Hydro's current operations and long-term plans; that the Government's views as expressed by the Minister are kept very much in mind in the formulation of policy; that complete reports on all important phases of Hydro's operations are presented to the Legislature annually; and that the Hydro's capital expenditure and financing programmes are reported to the Legislature in advance. Subject to these various requirements, we believe the status of Hydro as a separate, semi-autonomous body should be preserved.

There remains the question of whether the Minister of Energy Resources should continue to act as a Vice-Chairman and thus as an executive officer of the Hydro Commission. In our opinion he should not do so. As we have said before a minister of the Crown should not be placed in a position in which he is subordinate to appointed officials either individually or collectively, no matter how eminent and experienced they may be. However, we are mindful of how important it will be for the Minister of Energy

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Resources to be fully informed about Hydro affairs. This being so, we can see no reason why he should not sit in on Commission meetings, possibly as an *ex-officio*, non-voting member, when important questions are being discussed. In the last analysis the effectiveness of the liaison between the Government and the Commission will depend more upon the personalities involved and the way in which they work together than upon any formal relationship that may be spelled out in the legislation or in organization manuals. Nevertheless, we believe that anomalous situations of the type referred to should be avoided if it is possible to do so.

As a final word, in view of the great importance of the Hydro enterprise, we suggest that it will be desirable that the Chairman of the Hydro Commission, with the full knowledge of the Minister of Energy Resources, should continue to consult directly with the Prime Minister from time to time on major questions of policy.

There is one other matter in connection with Hydro which we wish to mention. We suggest that responsibility for inspection and for the setting of standards in the electrical field be transferred from Hydro to the Department of Energy Resources.

# Concluding Notes

It is the nature of committees of enquiry that they must have assistance from those engaged in, or informed about, the subjects assigned to them. Our Committee was no exception. Our task was made easier by the interest and co-operation which was accorded to us from many sources.

The information contained in the briefs and in the discussion of them that took place at our hearings offered much that was helpful and we wish to record our appreciation to all who took part in their preparation and presentation.

We are grateful to the Ministers and their departmental officials, and to the Chairmen, members and officials of the various boards and commissions. Their contributions of time and thought were always given generously. Mention should be made, too, of Professor J. E. Hodgetts, of Queen's University, who prepared for us an extensive bibliography which proved to be most useful in illuminating our researches.

We wish particularly to acknowledge the work of our Secretary, Mr. J. M. Smith. The burden of organizing our material fell largely to him. He has had to familiarize himself with a subject which proved to be both extensive and complex. This he did with diligence and perception. He was responsible for much of the drafting of our report and made many useful contributions to our deliberations throughout the whole course of our enquiry.

At the beginning of our work we gave careful attention to the degree of detail that we should attempt to cover in the course of our examination. We thought it essential to obtain a broad understanding of the work being done by the various departments and by the more important boards and commissions. It was for this reason that we called for the reports upon these bodies which are attached as Appendices A and B. But we decided it would be unwise for us to attempt a detailed appraisal of the organization structures of each individual department, board and commission and of the way in which each operated internally. Nevertheless, we believe that such detailed reviews would be useful; in fact, as the business of government grows, such reviews should perhaps be carried out more or less continuously.




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We interpreted our primary responsibility to be the study of the broad organizational structure of government as a whole and the basic principles that should apply to it. Accordingly throughout the course of this report, we have laid great stress upon these principles: ministerial responsibility, financial accountability, grouping of related functions and provision for appeals. We believe that if these principles are followed and if the various boards and commissions are classified and dealt with as we have suggested, many present and future difficulties would be resolved. The pieces of the puzzle would begin to fall into place; the lines and limits of authority would be clarified.

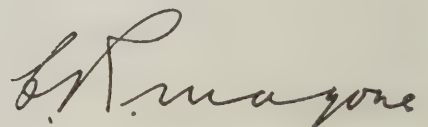
In addition to the consideration and discussion of these broad principles, we have dealt with a number of other matters which we believe to be important. Thus we have commented on the urgency and magnitude of the municipal problem and have proposed changes in the present machinery for dealing with it. We have commented upon the present system of financial controls throughout the governmental organization and have made certain suggestions for strengthening them. Also, we have suggested that the practices and procedures followed by some of the boards and commissions should be modified and, in some cases, that their duties and their relationships to the Government and the Legislature should be redefined.

No doubt, as in any large organization, there are many other improvements that could be made in the existing administrative arrangements. As already intimated, we suggest that these be reviewed from time to time once the basic principles of organization have been agreed upon. It is the importance of these principles that we wish to stress again in the closing sentence of our report.

Yours faithfully,

  
CHAIRMAN





## EXHIBITS AND APPENDICES





## *Exhibit A*

### LETTER FROM THE PRIME MINISTER TO THE CHAIRMAN OF THE COMMITTEE

Mr. Walter Gordon,  
Clarkson, Gordon & Co.,  
15 Wellington St., W.,  
Toronto, Ontario.

Toronto, Ontario,  
May 15th, 1958

Dear Mr. Gordon:

Concerning our conversations relative to an inquiry into the relationship of Provincial Boards and Commissions with the Government of Ontario, the Legislature and Government departments, you have been good enough to intimate that you would accept the Chairmanship of the Committee to survey and enquire into this very important matter. Dr. W. A. Mackintosh, Principal of Queen's University, and Mr. C. R. Magone, Q.C., the former Deputy Attorney General, have consented to serve on the Committee.

The terms of reference broadly are to examine into the administrative and executive problems of the Government of Ontario in all divisions of the provincial service and to examine into the relationship of Boards and Commissions to the Government and the Legislature. My view is that the reference to the Committee should be in broadest terms. If the Committee desires that the reference should be spelled out, I shall be glad to do this but in that event I should like to have the Committee's view as to the form in which this reference should be. My own present view is that such a reference is not necessary. I think that it can be encompassed in very general terms in this letter.

The Haldane Committee reference was simply: "To enquire into the responsibilities of the various Departments of the central executive Government, and to advise in what manner the exercise and distribution by the Government of its functions should be improved."

The problems of Government have been very greatly magnified in recent years owing to the fact that of necessity Governments have been compelled to engage in various types of businesses. The Hydro-Electric Power Commission of Ontario is a case in point. One of the latest is the work being undertaken by the Hospital Services Commission of Ontario. There are, of course, Boards and Commissions which are regulatory in

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function, such as the Liquor Licence Board of Ontario, the purpose of which was to control and regulate retail liquor outlets and to remove the administration from what might be termed political interference.

The Government assures the Committee that the Ministers, Deputy Ministers, Members of Boards and Commissions and the employees of all Departments, Boards and Commissions will assist the Committee in its work in every way possible.

I think the problem may be very generally stated in this way:

It is, of course, paramount that Government of the people, for the people and by the people should be preserved. On the other hand, democratic Government in these days cannot be deprived of the benefits and efficiencies which come from good business methods. This, I think, is the genesis of such Boards and Commissions. In availing itself of these methods, Government should not create the means by which the free principles upon which Governments exist should be undermined. In other words, the problem is to preserve Democratic Government while not depriving it of the benefits and efficiencies which go with good business methods.

I think perhaps you might agree that instead of attempting to spell out the reference that it would be better to give the Committee a completely free hand and simply outline the problem to be met after the above fashion.

I am quite prepared to be guided by the Committee as to the method in which it should do its work. It may be that much more would be accomplished by an examination and survey which would be conducted in a very informal way rather than clothing the Committee with powers of a Royal Commission. I am again prepared to be guided by the Committee in connection with this matter.

I quite realize that this is a very large subject but it is one of the very greatest of importance. After the Committee has concluded its deliberations and made its report and recommendations, my feeling is that it would be well to submit the matter to a Committee of the House representative of all Parties. I am hopeful that the work of the Committee will provoke wide discussions in the press and elsewhere. It is a good thing to examine ourselves in these days and enquire into our methods and see if they are meeting the requirements of these times.

I can assure you that you will be given a free hand. The government will make available to you all the information you require concerning the operation of existing Boards and Commissions, the purpose of their

## *Exhibit A*

creation and the methods by which they are functioning. We shall also be glad to engage for the Committee such assistance as it may require.

Sincerely yours,  
Leslie M. Frost.

## *Exhibit B*

### ORDER-IN-COUNCIL SETTING UP THE COMMITTEE

Copy of an Order-in-Council approved by His Honour the Lieutenant-Governor, dated the 12th day of June, A.D. 1958.

Upon the recommendation of the Honourable the Provincial Treasurer, the Committee of Council advise that Walter Lockhart Gordon, a Fellow of the Institute of Chartered Accountants of Ontario, William Archibald Mackintosh, a Companion of the Most Distinguished Order of St. Michael and St. George, Principal of Queen's University, Kingston, and Clifford Richard Magone, one of Her Majesty's Counsel learned in the Law, be appointed a Committee on the Organization of Government in Ontario to examine into the administrative and executive problems of the Government of Ontario in all divisions of the Provincial Service, and to examine into the relationship of Boards and Commissions to the Government and the Legislature, and to report thereon to the Provincial Secretary;

And that the said Walter Lockhart Gordon shall be Chairman of the Committee, which shall be constituted as of the 15th May, 1958, and whose Members shall be paid an honorarium of \$100.00 per diem, together with reimbursement for travelling and other out-of-pocket expenses;

And that such honoraria and other expenses of the Committee shall be charged to the Appropriation for Services and other Expenses for Special Studies, etc.—Vote 2201 Item 6.



ORGANIZATIONS FROM WHICH BRIEFS OR  
SUBMISSIONS WERE RECEIVED

1. Automotive Transport Association of Ontario (Inc.)
2. Board of Education of Sault Ste. Marie
3. Board of Trade of Metropolitan Toronto
4. Central Ontario Chapter of the Town Planning Institute of Canada
5. Citizens Research Institute of Canada
6. City of Sarnia
7. Conservation Council of Ontario
8. Construction Industry of Ontario
9. Cooperative Commonwealth Federation, Ontario Section
10. Liberal Party of Ontario
11. London Chapter of the Town Planning Institute of Canada
12. Ontario Association of Architects
13. Ontario Chamber of Commerce
14. Ontario Dairy Processors' Coordinating Board
15. Ontario Elevators Association
16. Ontario Federation of Agriculture
17. Ontario Federation of Labour, C.L.C.
18. Ontario Hotel Association
19. Ontario Section of the Canadian Bar Association
20. Sudbury District Medical Society
21. Town of Barrie
22. Urban Development Institute of Ontario
23. Windsor Chamber of Commerce

GOVERNMENT DEPARTMENTS





## GOVERNMENT DEPARTMENTS

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## *Letter of Transmittal*

Mr. W. L. Gordon,  
Chairman,  
Committee on The Organization of Government in Ontario,  
Parliament Buildings,  
Toronto, Ontario.

October 1, 1958.

Dear Mr. Gordon:

On your instructions we have made a limited review of the responsibilities and operations of the administrative departments of the Province of Ontario. The information that has been assembled in that review is presented in a series of memoranda which follows. An individual memorandum deals with each of the different departments and supplies information in respect to the following matters:

- the major responsibilities of the department, its areas of operation and the scope of its activities as indicated by the size of staff employed as well as the expenditures incurred and the revenues collected, etc.
- the general organizational arrangements used in conducting the affairs of the department and the nature of the work done by individual units of the organization.
- the legislation which provides for the activities of the department and the powers assigned by that legislation.
- the relationships existing between the department and other departments or agencies of the Government.

The information submitted was obtained through discussion of the operations of the individual departments with the deputy ministers and from material which they supplied to us.

Associated with the operations of most departments are one or more boards, commissions or like agencies that have been established by statute. In all cases the existence of agencies of this type is shown in conjunction

## *Letter of Transmittal*

with an outline of the general plan of organization of the department concerned, and the relationships existing between the activities of the agency and those of the department are described. The nature of these relationships varies widely both as between departments and between different agencies associated with a single department. They range from those encountered in situations where the appointed members of the agency are employees of the department proper, and all of the agency's work is handled by staff of the department, to those encountered where the agency members are drawn entirely from sources outside the department and its work is carried on by staff that is completely separate from that of the department. They range from situations in which the power of the agency is limited to that of supplying the Minister with advice and recommendations, to those in which the agency has the power to establish and enforce regulations subject only to the approval of the Lieutenant-Governor in Council.

For the purposes of this review we have attempted, where it is convenient, to simplify our presentation of the relationships existing between a department and its related boards and commissions, etc. We have done so by classifying all such agencies in terms of three broad categories.

*Advisory:* These are boards and agencies that have been established to advise a Minister or senior officials of the department on some aspect of the department's activities. They have the power to recommend only and carry no administrative responsibilities.

*Subsidiary:* This category includes boards and agencies whose decision and policy making powers are subject to approval by the Minister of the department concerned.

*Non-Subsidiary:* The decision and policy making powers of boards and agencies in this category are not subject to direction by the Minister of the department concerned except insofar as the members are appointed on the recommendation of the Minister and report through him to the Legislature.

Where that basis of classification has been used to indicate the relationships between a department and its associated agencies we have consulted the deputy minister concerning the matter and obtained his approval of the classification shown for each agency.

In the course of assembling information for this review we discussed with the deputy ministers of the departments the objectives underlying the formation of the boards and other agencies associated with their departments. A number of objectives were mentioned by the deputies and, with-



## *Organization of Government in Ontario*

out attempting to comment on their merits or degree of applicability to individual cases, we list them below:

The formation of a board or commission to handle the direction of a specialized undertaking may make it possible to obtain, for that work, the services of individuals who in experience and knowledge are particularly qualified to deal with the responsibilities concerned but who may be unable or unwilling to enter the government service on a full-time basis.

The formation of a board or other like agency may provide a means of ensuring that representatives of other departments of the public service or of other governmental and public bodies, have an opportunity to participate in the determination of policies and establishment of regulations in respect to undertakings that affect the activities of more than one department, government or group.

Where the function or activity is such that it should properly be conducted on a self-supporting basis the assignment of administrative responsibility to a self-contained agency may provide a practical means of achieving that result.

When regulatory powers are assigned to a board or like agency, the general public and representatives of associations are able to conveniently present their views and grievances to an authoritative group rather than a single official. This can help to minimize the possibility of discrimination in the establishment and administration of regulations.

The assignment of administrative responsibilities to a board or like agency permits matters of a judicial or semi-judicial nature to be dealt with by individuals who can be free from any possible political pressure.

We shall be pleased to attempt to obtain additional information concerning any of the matters covered by our review if you feel that this would be helpful.

Yours very truly,  
J. D. WOODS & GORDON Limited

# 1. Department of Agriculture

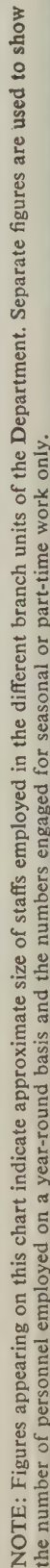
THE DEPARTMENT OF AGRICULTURE is responsible for providing services to the agricultural interests of the Province that will lead to improvement in the quality and quantity of agricultural production and will promote the prosperity and welfare of the farming community. Currently such services are being provided through a staff organization that has been established within the department proper and through the operations of a number of separately constituted boards, with specialized responsibilities, which report to the Minister of Agriculture.

At June 30th, 1958, the staff being employed by the Department on a year-round basis numbered close to 1,700 people. In addition part-time employees are used for seasonal work. During the previous year some 1,000 of these seasonal workers were engaged by the Department, but many of them were used only for very short periods as in the case of judges at fall fairs.

The general organizational arrangement under which the staff of the Department is used to carry out its activities is shown in the form of a chart overleaf. The chart sets out the various operational units of the Department and indicates the approximate numbers of employees associated with each unit. It also indicates the different boards that have been assigned administrative responsibilities and report to the Minister of Agriculture. While certain of these boards are described in separate memoranda to the Committee, a statement of their main functions is needed in this report to provide a general explanation of the Department's activities.

The Department's expenditures on ordinary account during the fiscal year 1957-58 totalled approximately \$10,700,000 and capital account disbursements in that year amounted to about \$700,000. Revenue received from its activities approximated \$1,300,000 in the same year. Exhibits 1 and 2 which follow this memorandum provide a breakdown of these revenues

*Plan of organization of the Department of Agriculture and related boards, commissions and like agencies*





## *Department of Agriculture*

and expenditures by types and show corresponding budgeted figures for the current fiscal year.

The work undertaken by the Department sub-divides broadly into one or other of the following four main areas of activity:

*Production, Farm Management and Related Services:* Supplying information and assistance to individual farmers, agricultural associations, community groups, etc. in respect to production methods, farm management procedures and community projects and enforcing regulations established in connection with these matters.

*Marketing Services:* Developing measures to provide for orderly and effective marketing of agricultural products and the enforcement of regulations adopted for that purpose.

*Miscellaneous Services:* Supplying certain miscellaneous services of a specialized nature such as arranging for the extension of loans to young farmers to assist them in the purchase of properties.

*Operation of Educational and Research Institutions:* Establishing and operating institutions for providing academic education and carrying on research in agricultural fields.

We define the nature of the Department's work, outline the legislation relating to that work and describe the functions of the various boards and like agencies that are associated with the Department under headings that deal separately with each of those four areas.

### **Production, Farm Management and Related Services**

The work carried on in this area is handled by five branch units of the Department. They are the Extension Branch, the Live Stock Branch, the Field Crops Branch, the Farm Economics and Statistics Branch and the Agricultural and Horticultural Societies Branch. The main activities associated with the separate branch units are summarized below:

*1. Extension Branch:* The Extension Branch is the unit of the organization that is primarily responsible for supplying, directly to individual farmers and farm groups, information and advice that is useful to farm operators generally. In addition it provides specialized services in certain fields. Its activities are carried on through five service sections of the Branch.

**AGRICULTURAL REPRESENTATIVES SERVICE:** This service maintains a branch office in each county and organized district throughout the

## *Organization of Government in Ontario*

Province. At present there are 55 of these offices. Agricultural Representatives and Fieldmen are located at the branch offices. Through direct contact with farm organizations and individual farmers they supply up-to-date information concerning developments in production methods and farm management that have resulted from agricultural research. They deal with such matters as live stock improvement, soil and crop improvement, the direction of the County 4-H Club programs, etc.

**AGRICULTURAL ENGINEERING SERVICE:** This service maintains a specialist staff that gives assistance and advice to farmers on drainage, water conservation, farm building construction and remodelling, as well as the servicing of farm machinery.

**FRUIT AND VEGETABLE EXTENSION SERVICE:** Specialized assistance is provided through this service to fruit and vegetable growers who are meeting problems in either the production or marketing of their products. By mail it supplies growers with a continuing information service concerning the use of insecticides and fungicides to control pests.

**TOBACCO EXTENSION SERVICE:** This is a recent addition to the Extension Branch, set up to provide a specialized information service for the tobacco producers in Ontario.

**HOME ECONOMICS SERVICE:** This service directs and promotes a program in home economics for women and girls in rural communities. This program includes courses in citizenship, health education, nutrition, home crafts, etc.

**2. Live Stock Branch:** This Branch is responsible for promoting the adoption, by live stock producers, of measures for the improvement and general development of the live stock industry in the Province and is responsible for administering the regulations established by a number of statutes dealing with that industry. As part of its work in this field it handles all arrangements covering grants of financial assistance to live stock breeder organizations for the purpose of improving the industry. Assistance is provided in the form of grants to horse shows, special types of cattle shows, artificial insemination centres and auction sales of both sheep and swine.

The Branch also exercises certain controls over the operation of community sales of live stock. Such sales can be conducted only under licence issued by the Branch. To qualify for licence a sale operator must have

## *Department of Agriculture*

satisfactory premises and have agreed to engage a veterinary to inspect all animals offered on consignment.

*3. Field Crops Branch:* This Branch acts as a central agency for promoting the use of measures for the improvement of crop production, both as to quantity and quality and, as a means to that end, for the use of measures to control the growth of weeds.

As part of its work in this area it deals with the inspection and licensing of all seed cleaning plants; handles arrangements in connection with the provision of freight subsidies on the shipment of agricultural limestone to farms; conducts educational programs covering experimental and demonstration programs in the use of mechanized weed killing equipment, etc.

The Branch co-operates and gives assistance to the Ontario Soil and Crop Improvement Association and its county branches in sponsoring seed fairs and displays and various types of crop improvement projects at both the provincial and county organization level.

*4. Farm Economics and Statistics Branch:* This Branch carries out special studies with the co-operation of selected farmers and makes available the results of such studies to the farming community in general. These studies deal with such matters as the most effective use of land, labour, machinery, fertilizers, feed, etc.

In addition to distributing information with respect to the special studies carried out, the Branch also compiles and distributes comprehensive statistics on all phases of farm production. Some of these are issued in the form of monthly reports while others are issued on a seasonal basis.

*5. Agricultural and Horticultural Societies Branch:* This Branch gives direction and assistance to, and administers the grants provided for, agricultural and horticultural societies, ploughmen's associations and community centres. The Branch provides judges for field crop competitions and a lecturer service for those organizations that are interested.

The Branch is responsible for the administration of grants paid under the authority of *The Community Centres Act* for such community facilities as community halls, athletic fields, skating arenas, outdoor skating rinks and swimming pools.

*Legislation Relating to Production and Farm Management Services:* The activities of the Branch units described above are undertaken on the basis of the general authorization provided by *The Department of Agriculture Act* and by a number of individual acts relating to specific matters. The Acts concerned are listed below and their main provisions are indicated. In the interest of simplicity associated legislation is listed in a single



## *Organization of Government in Ontario*

group and comments are confined to general features of the provisions.

*The Agricultural Associations Act*

*The Agricultural Societies Act*

*The Horticultural Societies Act*

*The Community Centres Act*

These provide for recognition and establishment of corporate status for organizations of the types indicated as well as specifications to enable such organizations to qualify for grants of financial assistance.

*The Agricultural Representatives Act*

*The Agricultural Committees Act*

These Acts provide for the appointment of Agricultural Representatives to work for the betterment of agriculture in individual counties and for the appointment of a committee in each county and district served by an Agricultural Representative to co-operate with and recommend projects to be undertaken by the Representative.

*The Clean Grain Act*

*The Weed Control Act*

*The Plant Diseases Act, 1954*

*The Seed Potatoes Act*

The purpose of the first of these Acts is to permit the establishment of regulations to ensure that seed grain is free of weed while the purpose of the second and third is to provide for establishment of measures to control weed growth and plant diseases, including an inspection arrangement to enforce regulations. The fourth Act enables producers of seed potatoes in a growing area to have the area designated a "seed potato restricted area" through municipal by-law and thereby to permit only the planting of certified seed within its limits. Local enforcement by municipal inspectors is specified with overall supervision of inspection by the Department.

*The Protection of Live Stock Act*

*The Stallions Act*

*The Artificial Insemination Act*

All three of these Acts contain provisions aimed at breed improvement. The first provides for by-laws of county councils relating to the use of purebred bulls and for penalizing owners who permit a bull to run at large. The latter two establish provisions for the payment of grants and supply of other assistance in connection with breed improvement.

## *Department of Agriculture*

### *The Brucellosis Act*

### *The Warble Fly Control Act*

### *The Health of Live Stock Act*

These Acts make provisions for the control of communicable disease and damage to cattle. They provide for the establishment of regulations for treatment and in the case of the first Act for some assistance payments to cover control service rendered by veterinaries. Provisions of the third Act provide for the use of control measures at community sales yards. They establish regulations for cleanliness, disinfecting procedures, the employment of veterinaries, etc.

### *The Live Stock and Live Stock Products Act*

This Act authorizes the establishment of grading arrangements covering live stock and live stock products as well as the licensing of graders and appeals from graders' decisions to the Live Stock Commissioner.

### *The Live Stock Branding Act*

### *The Transportation of Fowl Act*

The first of these Acts provides for regulation of live stock branding. The second requires truckers to obtain permits from county clerks to engage in the transportation of fowl on highways, with a view to preventing thefts and assisting in the tracing of stolen fowl.

### *The Bees Act, 1954*

Provides for the registration of beekeepers and control of diseases affecting bees through a system of inspection.

### *The Dog Tax and the Cattle, Sheep and Poultry Protection Act*

### *The Ginseng Act*

### *The Grain Elevator Storage Act*

### *The Injured Animals Act*

### *The Provincial Auctioneers Act*

### *The Seed Grain Subsidy Act*

### *The Steam Threshing Machines Act*

### *The Threshing Machines Act*

The provisions of this miscellaneous set of Acts do not appear to be important for purposes of the present review.

### *Advisory Boards re Production and Farm Management Services:*

Four advisory boards have been established to assist the Minister and the Department in planning its activities in the production and farm manage-

## *Organization of Government in Ontario*

ment area. These boards and their functions are set out below. In all cases they serve only in an advisory capacity.

*The Ontario Fertilizer Board:* This is a twenty-seven man board. Nine members are from the Department of Agriculture. Four are from the corresponding Federal Department and fourteen are from industry. It studies the use of fertilizer and information arising from its deliberations are published by the Department.

*The Advanced Registry Board for Beef Cattle:* This seven member board advises the Department in matters relating to the regulations covering the testing of bulls. Two of its members are drawn from the Department of Agriculture personnel, one from the Federal Department of Agriculture and four are breeders.

*The Artificial Insemination Board:* This four member board is composed of employees of the Department. It recommends policies to be adopted in connection with the operation of artificial insemination units throughout the Province.

*The Stallion Enrolment Board:* This is a three man board which advises the Department on matters relating to hereditary factors in the breeding of horses.

## **Marketing Services**

In the area of farm product marketing the responsibilities and work of the Department are closely associated with those of four separately constituted Boards which, by statute, have been assigned specific regulatory and administrative powers within the marketing field. Thus it is necessary in describing the Department's activities, to outline concurrently the functions of these Boards.

Two branch units of the Department are concerned exclusively with matters relating to farm product marketing. They are the Markets Branch and the Dairy Branch. The Boards which have been established by statute are the Farm Products Marketing Board, the Milk Industry Board, the Ontario Food Terminal Board and the Ontario Stock Yards Board. The various activities in the marketing sphere carried on by the Department and the Boards associated with it are discussed under the following headings:

1. The Markets Branch and the Farm Products Marketing Board
2. The Dairy Branch and the Milk Industry Board of Ontario
3. Legislation Relating to Marketing Services



4. Other Administrative Boards

5. Advisory Boards and Committees

*1. The Markets Branch and the Farm Products Marketing Board:*

The functions of the Markets Branch cover two separate though related areas. In the first of these it is responsible for assisting the Minister of Agriculture to formulate regulations under statutes which empower him to establish specific controls over certain aspects of the marketing of fruit, vegetables and honey, and for enforcing the regulations he establishes. Within the limits of this area it is also responsible for processing applications for certain types of loans which can be obtained by producer organizations for use in purposes associated with farm product marketing. In the second area the Branch serves as the administrative organization of the Farm Products Marketing Board and assists that Board to establish and enforce the control measures that it formulates.

Within the first of these two areas the Markets Branch administers regulations established by the Minister which relate to the grading and packing of the produce mentioned. In doing so it operates fruit and vegetable inspection stations at strategic points throughout the Province. It handles the issuing of licences to dealers in fruit and vegetables and to truckers engaged in the transportation of these goods. It makes test inspections of goods en route to market for proper grading and grades certain fruits and vegetables as these enter processing plants.

The Branch also levies a fee on the producers of fruit, vegetables and honey that is collected through the manufacturers of containers used in the packaging of these products. The revenues from these fees are remitted to the Ontario Fruit and Vegetable Association and the Ontario Bee Keepers Association for their use in connection with programs for the improvement of product marketing. It makes test inspections of honey to ensure that the grading and marketing of this product conforms to statutory requirements.

In addition the Markets Branch is responsible for processing applications for loans requested by agricultural co-operatives under provisions of *The Co-operative Loans Act* to finance new capital facilities, particularly cold storage plants. Such loans are made within upper limits of \$100,000 or 50% of real property value in any one case.

Under the terms of the Act authority for the granting of such loans is assigned to the Co-operative Loans Board of Ontario. The Board consists of three members, two of whom are employees of the Department of Agriculture and the third is an employee of the Treasury Department. The members of the Board review all applications for loans and authorize ex-

## *Organization of Government in Ontario*

tension of a loan where the qualifications of the applicant and the security provided warrant the granting of such a loan.

Staff of the Markets Branch handle the administrative work involved in the processing of a loan application up to the point where the loan has been approved. At this point the Treasury Department takes over the responsibility for the administrative detail connected with recording the loan and collecting principal and interest payments on it.

As was stated above the second function of the Markets Branch is that of serving as the administrative organization of the Farm Products Marketing Board. This Board, constituted by the provisions of *The Farm Products Marketing Act*, is assigned the responsibility for instituting formalized plans for broad regulation and control of the marketing of farm products locally within the Province. The Board is composed of five members appointed by the Lieutenant-Governor in Council on the recommendation of the Minister of Agriculture. While technically an independent body it in practice virtually forms part of the organization of the Department. Three of its five members are employees of the Department and one is from the Ontario Municipal Board.

The Board considers plans for local regulation and control of farm product marketing that may be proposed by producer organizations. It recommends to the Minister of Agriculture the adoption of plans approved by plebiscite. Such plans normally include arrangements for restricting the sale of specified products to authorized agencies and the setting of minimum prices to be paid to producers. When a plan has been approved by the Lieutenant-Governor in Council, the Board has the power to delegate responsibility for administration of the plan to a local marketing board. All local boards operate under supervision of the main Board. More than a dozen of these local boards have been established covering such products as various types of fruits, certain vegetables, honey and hogs.

2. *The Dairy Branch and the Milk Industry Board of Ontario:* Like that of the Markets Branch the work of this Branch also covers two areas of responsibility. The Branch is responsible for the enforcement of regulations established under statutes which give the Department direct control over some aspects of the manufacture and sale of products which are related to or compete with dairy products. In addition it acts as the administrative agency responsible for enforcing all regulations and rulings of the Milk Industry Board of Ontario. By statute that Board is given broad powers to regulate and control the marketing of milk and cream in the Province.

The regulations enforced by the Branch under legislation that gives



## *Department of Agriculture*

the Department direct powers of control, deal with the manufacture and sale of edible oils and of oleomargarine. In these areas inspection services are provided to ensure that specified standards of quality are maintained in the manufacture of these products and, in the case of oleomargarine, that it is not packed to resemble butter and that no claims are made by manufacturers which will be prejudicial to the dairy industry.

As the administrative agency of the Milk Industry Board the Branch enforces the regulations and rules formulated by the Board under the provisions of *The Milk Industry Act, 1957*. The Act provides for the establishment of a three member board to regulate the marketing of milk and cream.

Members are appointed by the Lieutenant-Governor in Council on the recommendation of the Minister of Agriculture and report to the Minister. However, in all other aspects it is separate of the Department. None of its members is an employee of the Department.

The Act empowers the Board to regulate and control the marketing of milk and cream for all purposes but distinguishes between two different categories of product based upon end-use. The first category includes milk and cream that is to be distributed in fluid form for public consumption. The second is made up of milk and cream that is to be processed into such products as butter, cheese, milk powder and condensed milk, etc.

In respect to the marketing of milk and cream for all purposes, the Act assigns to the Board regulatory powers that are generally similar to those exercised by the Farm Products Marketing Board in connection with other farm products. The Board is required to consider plans for regulation and control that may be proposed by groups of producers and order the adoption of such plans as it approves, if they are endorsed by a sufficient number of producers. The plans provide for the recognition of agencies that will be authorized to negotiate minimum prices to be paid to producers, the imposition of restrictions on channels of sale, etc.

In the field of marketing of fluid milk for distribution to the public, the Board is authorized to establish regulations covering such matters as the following:

- the licensing of transporters and distributors. In granting licences the Board is required to ensure that any applicant is qualified in terms of experience, availability of proper facilities and equipment, financial responsibility, etc.
- the establishment, by Board orders, of prices to be paid to producers. Such prices are normally determined by negotiations between



## *Organization of Government in Ontario*

the producers and distributors or between the producers and transporters. All agreements made must be filed with the Board and be approved to become effective. When the negotiating parties are unable to agree, the Board is empowered to determine the prices to be used.

- the establishment, through quota committees, of the amount of fluid milk which individual producers can supply and which distributors must accept; and the issuance of rulings in respect to such quotas in the event of disagreement between the negotiating parties or in the case of individual complaint.
- the establishment of various controls over the operations carried on by fluid milk distributors including the setting of minimum and maximum prices to be charged for fluid milk products by distributors.

Under the jurisdiction of the Board, the Dairy Branch carries out investigations to supply information that the Board needs to formulate regulations and set up processing standards. It makes regular inspections of processing facilities and plants. It makes periodic audits of milk purchases and payments being made under price agreements to ensure that payments to producers are in accordance with those authorized by regulations.

Two sections of the Branch have been formed to deal with these responsibilities. One of these handles matters relating to the marketing of fluid milk. The second deals with the marketing of milk for processing into other products and, in some circumstances, the marketing of the final products.

*3. Legislation relating to marketing services field:* The various statutes dealing with matters relating to marketing activities carried on by the Department are listed below and their provisions are stated in broad terms.

### *The Farm Products Grades and Sales Act*

### *The Farm Products Containers Act*

These are the Acts under which the Markets Branch carries on its work relating to the enforcement of grading of fruit, vegetables and honey, the licensing of dealers in fruit and vegetables and under which producer associations obtain funds, with which to promote the improved marketing of their products. These funds are obtained by means of a levy payable by the producers but collected from the manufacturer of the container by adding the amount of the levy to the purchase price of the container.

## *Department of Agriculture*

### *The Farm Products Marketing Act*

The main provisions of this Act were outlined in defining the work of the Markets Branch.

### *The Fruit Packing Act*

Under this Act grants of financial assistance can be provided to producer groups for the purpose of erecting premises and installing equipment suitable for use in grading and packing fruit.

### *The Co-operative Loans Act*

This Act authorizes loans to agricultural co-operatives for the financing of capital facilities, particularly cold storage plants.

### *The Milk Industry Act, 1957*

The main features of this Act were outlined in defining the activities carried on by the Dairy Branch.

### *The Consolidated Cheese Factories Act*

Provides for the extension of loans for the purpose of consolidating existing cheese factories in modern facilities and the closing down of existing facilities.

### *The Edible Oil Act*

### *The Oleomargarine Act*

These Acts provide for regulation and control by the Department of certain aspects of the manufacture and sale of the products indicated.

### *The Ontario Food Terminal Act*

This Act provides for the formation of an Ontario Food Terminal Board and empowers the Board to construct and operate a fruit and vegetable terminal facility in the Toronto area which will serve to accommodate all wholesalers of those products. It prohibits the operation of wholesaling premises at other locations in the Toronto area excepting those previously in existence.

### *The Stock Yards Act*

This Act provided for the formation of the Ontario Stock Yards Board and empowered it to acquire the former Union Stock Yards in the City of Toronto, to operate those facilities and to construct such additional facilities as are required to provide for efficient operation of a public yard. It prohibits the operation of other public stock yards in the area, excepting those which existed at the time the Act came in force, without approval of the Board.

## *Organization of Government in Ontario*

*4. Other Administrative Boards:* As indicated in the above outline of legislation two other Boards, additional to those already discussed, have been established by statute to carry on administrative functions in the field of farm product marketing. They are the Ontario Food Terminal Board and the Ontario Stock Yards Board. In each case members of the Board are appointed by the Lieutenant-Governor in Council upon recommendation of the Minister of Agriculture. Both Boards report to the Legislature through the Minister of Agriculture but in neither case are decisions of the Board subject to approval of the Minister. Each of the Boards maintains a staff that is independent of the Department in carrying out its functions.

**THE ONTARIO FOOD TERMINAL BOARD:** This Board is composed of seven members. Three represent wholesalers, three are producer representatives and the Chairman is the Commissioner of the Markets Branch of the Department of Agriculture. The Board has constructed and is operating a large food terminal building, including cold storage facilities on property located on the Queensway in Etobicoke Township and has provided an area for a farmers' market on this property. Building space is rented to wholesalers of fruits and vegetables.

**THE ONTARIO STOCK YARDS BOARD:** This Board also consists of seven members. Members appointed are drawn largely from the live stock industry. The responsibility of the Board is to provide and operate an efficient public stock yard in the City of Toronto, to license commission agents operating at the yards and to set fees that will be charged for using the services of the yards. Its functions are primarily administrative.

*5. Advisory Boards and Committees re Marketing Services:* Two advisory Boards have been established to assist the Minister of Agriculture in connection with the formulation of Departmental policies respecting marketing matters. Their powers are limited to the making of recommendations.

**THE MILK PRODUCERS CO-ORDINATING BOARD:** This Board seeks to co-ordinate the interests of milk producers who are concerned with separate milk product markets, viz. fluid milk, cream, cheese and concentrated or powdered milk. It makes representations on behalf of these individual producers for changes in legislation that it considers desirable from the point of view of all producing groups.

**THE MILK INDUSTRY ADVISORY COMMITTEE OF ONTARIO:** This is a



## *Department of Agriculture*

twelve member committee composed equally of producers and distributors or manufacturers of milk and milk products. It considers matters relating to the production and marketing of milk and milk products and presents recommendations, based on the joint views of the producers and further processors, to the Minister or to the Dairy Commissioner.

### **Miscellaneous Services**

In this review we treat as miscellaneous services to the agricultural community those activities that are carried on by two units of the Department, the Junior Farmers Loan Branch and the Ontario Telephone Authority. The functions of these units, the legislation relating to their operations and the Boards and like agencies established in connection with their activities are described below.

*The Junior Farmers Loan Branch and its Related Legislation and Agencies:* It is the responsibility of this Branch to handle the majority of the administrative work associated with the granting of loans from the Provincial Treasury under the provisions of the Junior Farmers Loan Act.

Under the provisions of this Act, loans in amounts up to \$15,000 may be made to young farmers (under 35 years of age) for the purpose of acquiring farm properties. For this purpose it provides for the incorporation of the Ontario Junior Farmer Establishment Loan Corporation. The affairs of that Corporation are directed by three civil servants, two of whom are employees of the Department of Agriculture with the third being an employee of the Treasury Department. The function of the directors of the Corporation is to review the qualifications of applicants for loans under the Act and to extend loans by the Corporation in cases where they consider adequate security is provided.

Staff of the Branch handle all work connected with the inspection of properties concerned, investigation of applicants, processing of applications for review by directors of the Corporation, recording of loans outstanding and payments thereon, etc. In addition the staff provides assistance to borrowers in respect to operational matters when requested. If a loan goes into default the circumstances are investigated and a course of action recommended to the directors.

*The Ontario Telephone Authority and its Related Legislation and Agencies:* It is the responsibility of this Authority, which for practical purposes, acts as a branch unit of the Department of Agriculture, to govern

## *Organization of Government in Ontario*

the activities of both municipal and privately-owned rural telephone systems in Ontario and where necessary provide such assistance as is needed to permit the operation of these systems. In the latter connection, assistance is supplied in respect to procedural, engineering and technical matters. The Authority has the power to set minimum standards of service and to approve all changes in rates.

The above powers are vested in the Authority by provisions of *The Telephone Act, 1954* which provides for control of rates to be charged by systems under the jurisdiction of the Province, regulation of borrowing for capital expenditures required for the operation of these systems and the sale of systems or parts of systems.

Directly associated with the activities of the Authority are those of the Ontario Telephone Development Corporation. This is the agency through which the Authority extends assistance to rural systems. Its function is to rehabilitate such systems and when this has been accomplished work out an arrangement under which they can be taken over by an efficiently operating existing system. Currently it is operating three systems that are in the course of rehabilitation.

A three man Board of Directors is responsible for directing the Corporation's operations. Two members are the two senior officials of the Authority and the third is drawn from the staff of the Treasury Department. All administrative work is dealt with by staff of the Telephone Authority.

## **Educational and Research Institutions**

The Department's program of academic education and research in agriculture is carried on through the institutions that are listed below. In the listing, institutions which are serving generally comparable purposes are grouped together. In each case the broad features of the programs being conducted by the separate groups of institutions are outlined briefly.

*Ontario Agricultural College; Ontario Veterinary College; Macdonald Institute:* At these Colleges, which are affiliated with the University of Toronto, degree courses are offered in the science of agriculture and in veterinary medicine and in home economics. At the Agricultural College graduate instruction leading to a master's degree in agriculture is made available. In addition, a two year course in practical agriculture is offered at the Agricultural College and the institutions conduct a variety of short courses dealing with individual subjects and fields.

The facilities of the Colleges are used to carry on extensive research



## *Department of Agriculture*

work in all phases of scientific agriculture and veterinary medicine. Technical problems encountered in the course of farm operation are referred to the College for scientific investigation. Information made available from the research studies is supplied to the farming community both by direct contact and through the branch units of the Department of Agriculture. In that connection the College staff members participate widely in the Department's extension activities.

*Kemptville Agricultural School; Western Ontario Agricultural School:* Both of these institutions conduct two year practical courses in agriculture. The Kemptville School also supplies a similar course in home economics and each of them conducts short courses of various types.

These Schools also undertake a variety of projects in demonstration and experimental work and the staffs of the Schools carry on extension service work with farm groups in the areas they serve.

*Horticultural Experiment Station, Vineland:* At this institution a broad program of investigation and research in the field of fruit and vegetable production and marketing procedures is undertaken. The findings resulting from the projects undertaken are made available to growers throughout the Province and the station staff participate in extension programs that are carried on by the Department for the benefit of growers.

*Demonstration Farm, New Liskeard; Demonstration Farm, Sault Ste. Marie:* These units are maintained by the Department to give leadership to a program of improvement of agricultural methods in Northern Ontario. Cultural methods best suited to the area are demonstrated and a source of good breeding stock and seed for farmers in these localities is provided.

*Legislation re Agricultural Education:* Two statutes deal with specific phases of the Department's activities in the field of education. They are *The Agricultural College Act* and *The Veterinary College Act* which make general provisions for the operation and administration of these Colleges.

Individual Advisory Committees are established to assist the senior official of each of the Colleges, and Macdonald Institute which is a division of the Agricultural College, as well as the Minister of Agriculture, in planning the College policies and programs. To co-ordinate the recommendations of the individual committees for presentation to the Minister an overall Advisory Board has been formed. It is termed the Advisory Board for the Conjoint Administration of Ontario Agricultural College, Macdonald Institute and Ontario Veterinary College.



## Organization of Government in Ontario

### Addendum, August, 1959

During the first part of 1959, *The Health of Live Stock Act* was repealed and replaced by *The Live Stock Community Sales Act, 1959*.

While the new Act provides for many of the same control measures at community sales yards as the former Act, particularly with respect to cleanliness, disinfecting procedures etc., it goes a step further and provides for:

- (a) the licensing and bonding of owners of community sales yards, and
- (b) the employing of veterinarians by the Department on a part-time basis during community sales.

#### DEPARTMENT OF AGRICULTURE EXHIBIT 1

#### ANNUAL ORDINARY REVENUES

<i>Branch and Account</i>	<i>Budget 1957-58</i>	<i>Actual 1957-58</i>	<i>Budget 1958-59</i>
MAIN OFFICE	\$ 1,100.00	\$ 708.24	\$ 1,200.00
AGRICULTURAL & HORTICULTURAL SOCIETIES	\$ 2,150.00	\$ 1,931.00	\$ 2,200.00
DAIRY	\$ 3,400.00	\$ 2,862.90	\$ 3,400.00
EXTENSION	\$ 1,000.00	\$ 1,459.27	\$ 1,000.00
FARM ECONOMICS & STATISTICS	\$ 2,000.00	\$ 363.90	\$ 2,000.00
FIELD CROPS	\$ 450.00	\$ 417.60	\$ 400.00
LIVE STOCK	\$ 38,000.00	\$ 35,750.37	\$ 38,000.00
MARKETS	\$ 88,800.00	\$ 92,499.44	\$ 104,100.00
DEMONSTRATION FARM, NEW LISKEARD	\$ 12,500.00	\$ 11,318.05	\$ 12,500.00
STRATHCLAIR FARM, SAULT STE.MARIE	\$ 400.00	\$ 743.10	\$ 2,400.00
HORTICULTURAL EXPERIMENT STATION—VINELAND	\$ 29,000.00	\$ 22,379.45	\$ 25,000.00
KEMPTVILLE AGRICULTURAL SCHOOL	\$ 37,000.00	\$ 58,004.51	\$ 44,000.00
ONTARIO AGRICULTURAL COLLEGE— GUELPH	\$ 675,000.00	\$ 786,365.82	\$ 772,000.00
MACDONALD INSTITUTE—GUELPH	\$ 42,500.00	\$ 63,286.82	\$ 66,000.00
ONTARIO VETERINARY COLLEGE— GUELPH	\$ 127,000.00	\$ 160,265.07	\$ 168,000.00
WESTERN ONTARIO AGRICULTURAL SCHOOL & EXPERIMENTAL FARM— RIDGETOWN	\$ 50,000.00	\$ 40,332.58	\$ 47,000.00
ONTARIO TELEPHONE AUTHORITY	\$ 700.00	\$ 580.76	\$ 800.00
<i>Total</i>	<i>\$ 1,111,000.00</i>	<i>\$ 1,279,541.88</i>	<i>\$ 1,290,000.00</i>

## *Department of Agriculture*

### DEPARTMENT OF AGRICULTURE EXHIBIT 2

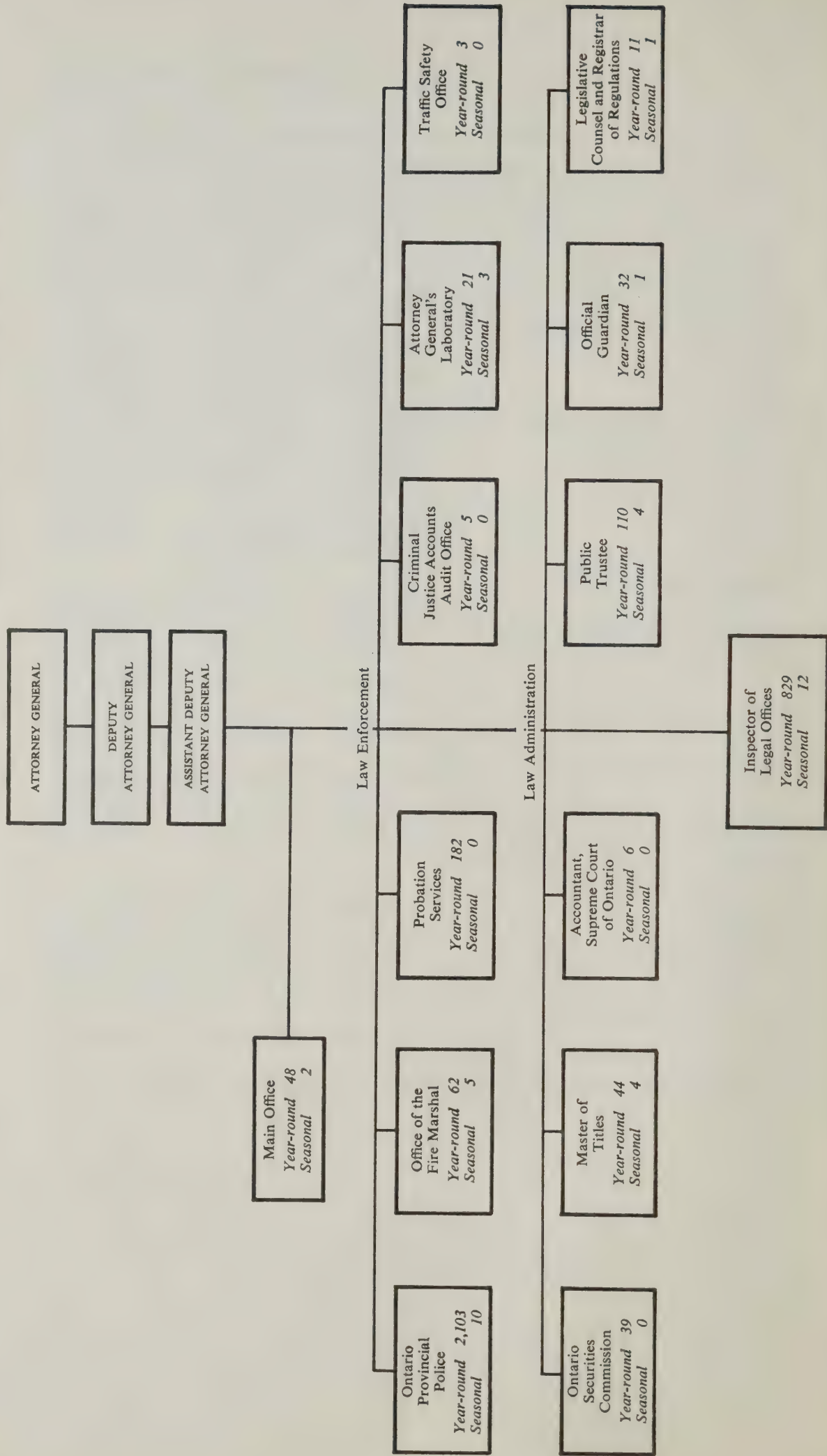
#### ANNUAL EXPENDITURES

<u>Branch</u>	<u>Budget</u> <u>1957-58</u>	<u>Actual</u> <u>1957-58</u>	<u>Budget</u> <u>1958-59</u>
ORDINARY EXPENDITURES			
Main Office	\$ 320,000.00	\$ 317,550.85	\$ 306,000.00
Agricultural and Horticultural Societies	830,000.00	851,942.22	989,500.00
Dairy	420,000.00	359,379.63	524,000.00
Extension	1,710,000.00	1,641,463.87	2,153,800.00
Farm Economics and Statistics	255,000.00	206,184.74	255,000.00
Farm Labour Service	29,000.00	19,888.84	30,000.00
Field Crops	165,000.00	150,156.45	208,700.00
Information <sup>1</sup>			152,000.00
Live Stock	1,100,000.00	1,062,423.77	1,299,000.00
Markets	465,000.00	446,556.58	541,300.00
Demonstration Farm, New Liskeard	30,000.00	20,371.30	39,000.00
Strathclair Farm, Sault Ste. Marie	20,500.00	15,721.10	26,300.00
Horticultural Experiment Station, Vineland	272,000.00	276,230.15	363,500.00
Kemptville Agricultural School, Kemptville	320,000.00	302,859.85	405,200.00
Ontario Agricultural College, Guelph	3,532,000.00	3,437,916.46	4,475,000.00
Macdonald Institute, Guelph	206,500.00	169,624.30	273,500.00
Ontario Veterinary College, Guelph	990,200.00	1,036,532.43	1,460,000.00
Western Ontario Agricultural School and Experimental Farm, Ridgetown	206,000.00	188,144.63	273,000.00
Ontario Junior Farmer Loan	136,000.00	138,363.74	186,200.00
Ontario Telephone Authority	104,800.00	84,049.94	114,000.00
	<u>\$11,112,000.00</u>	<u>\$10,725,360.85</u>	<u>\$14,075,000.00</u>
CAPITAL DISBURSEMENTS			
Main Office	\$ 850,000.00	\$ 690,689.66	\$ 950,000.00

<sup>1</sup> This is a new branch and the cost of the activities now carried on in this branch were shown as part of Main Office in 1957-58.

# PROVINCE OF ONTARIO

Plan of organization of the Department of the Attorney General and related boards, commissions and like agencies



NOTE: Figures appearing on this chart indicate approximate size of staffs employed in the different branch units of the Department. Separate figures are used to show



## 2. Department of the Attorney General

THE DEPARTMENT OF THE ATTORNEY GENERAL is responsible for the administration of criminal law in Ontario and for the supervision of Provincial law enforcement agencies. It acts as legal advisor to other branches and agencies of the Provincial Government and represents the Crown in court actions brought by and against the Crown.

The work of the Department can be divided roughly into law enforcement and law administration, with some organizational units of the Department being responsible primarily for enforcement, some for administration and others being involved in both. This latter category would include the comprehensive network of court offices covering the Province.

As of June, 1958, the staff employed by the Department numbered approximately 3,500, including some 2,100 associated with the Ontario Provincial Police. Only 45 employees were engaged on a seasonal basis, with a further 92 (judges) being retained on an allowance basis.

The general plan of organization under which the Department operates is shown in chart form facing this page. This chart sets out the major organizational units of the Department and indicates the approximate number of employees associated with the work of each unit.

The revenue of the Department collected during the 1957-58 fiscal year amounted to approximately \$6,750,000. Of this amount, almost \$5,000,000 represented fines and fees levied by the various courts administered by the Department. Over \$650,000 was collected by the Fire Marshal's Office in the form of a tax authorized by *The Fire Marshal's Act* and levied on the basis of the fire insurance written in the Province during the year. A further \$750,000 represents a refund of the operating expenses

## *Organization of Government in Ontario*

of three of the units of the Department: the Public Trustee, the Official Guardian and the Accountant of the Supreme Court of Ontario. The revenues of these three units are paid into the Consolidated Revenue Fund of the Province and the Department of the Attorney General is reimbursed for the operating expenses of the units out of the Fund. A further breakdown of revenue by source is shown in Exhibit 1 following this section of the report.

The expenditures of the Department during this period totalled slightly over \$18,000,000. Of this amount almost \$10,000,000 was expended in the operation of the Ontario Provincial Police. A breakdown of expenditures by Branch is set out in Exhibit 2 which follows this memorandum. In preparing its estimates for 1958-59 the Department grouped certain of its expenses in a slightly different manner from previous years. This must be taken into account when comparisons are made between budgeted expenditures for certain categories of expense in 1958-59 and the corresponding figures for 1957-58.

The nature of the more important activities being carried out by the various organizational units of the Department is described below under the following headings:

Main Office

Law Enforcement Units

Law Administration Units

Inspector of Legal Offices

General Legislation.

### **Main Office**

Besides the normal accounting, purchasing, personnel and other administrative staff comprising the main offices in other departments, the Main Office of the Department of the Attorney General includes a group of solicitors whose work is divided into three principal areas:

*Criminal Law:* Under a Director of Public Prosecutions, the staff of this section are responsible for furnishing legal advice on matters relating to the enforcement and administration of the criminal laws of the Province to Crown Attorneys, who are the representatives of the Department in each county or district. The Director of Public Prosecutions is also in charge of conducting the Crown's case when a case is appealed.

*Litigation:* The staff in this section are responsible for conducting

## *Department of the Attorney General*

all civil litigation where a government department, board or other agency is involved. The work handled can relate to such matters as Unsatisfied Judgment Fund actions, claims involving government vehicles, corporation tax or succession duty matters, etc. Departmental staff may also appear in court where the function or authority of a judicial or semi-judicial body such as a board or commission is being challenged or on any other constitutional matter.

*Opinions and Administration:* The solicitors in this section furnish opinions to other departments, boards or commissions on legal matters such as the interpretation of a statute, the consequences of a proposed course of action, a department's legal position in a dispute or claim, etc.

### **Law Enforcement Units**

Six units of the Department are primarily concerned with law enforcement matters. Their activities are described in the following paragraphs.

*Ontario Provincial Police:* The Ontario Provincial Police force, under the direction of a Commissioner of Police for Ontario, is responsible for law enforcement in all parts of rural Ontario not policed by a municipal force.

Because the nature of police force work is generally understood, we do not elaborate on the activities of the Ontario Provincial Police in this memorandum.

*Office of the Fire Marshal:* This Office is responsible for directing, co-ordinating and advising on all aspects of fire prevention, fire-fighting and fire investigation within the Province. In this work, the staff of this Office work closely with the local municipal fire departments. The responsibilities and powers of the Fire Marshal and his staff are set out in several statutes, three of which relate primarily to the work of his Office. These statutes are described briefly in the paragraphs that follow.

*The Fire Marshal's Act:* This Act established the Office of the Fire Marshal and gives his staff a great many of their powers. Thus, for example, the Office is given the authority:

- to investigate fires, close premises during investigation, remove anything that might be of assistance in the investigation, etc. Any prosecutions resulting from an investigation are conducted by the local Crown Attorney, if the results of the investigation appear to warrant it.



## *Organization of Government in Ontario*

- to order a fire insurance company to withhold payment of a claim for not more than 60 days.
- to inspect all buildings in the Province to detect and remedy any conditions that constitute a fire hazard. This authority is also extended by the Act to certain classes of municipal fire officials. Appeals from orders arising out of inspections can be made to the Fire Marshal and his decision is final, except in certain specified cases where there is a further appeal to the local county or district judge.
- to advise local municipal councils, as requested, on their fire protection and fire prevention by-laws, including the operation of their fire departments.
- to conduct a widespread educational program using motion pictures, slides, pamphlets, releases to newspapers, radio and television, etc.

Under a regulation of this Act an Advisory Committee has been established to advise the Attorney General with respect to the operation of the Fire Marshal's Office. On this Committee there are two representatives of the fire insurance field, two representatives of municipal fire departments, two mayors or reeves and two representatives of the general public, with the Attorney General as chairman.

Responsibilities are assigned to the Office of the Fire Marshal by *The Fire Departments Act*. The first part of this Act provides for collective bargaining and compulsory arbitration between the local fire department and the municipal council as to remuneration, pensions or working conditions of full time fire-fighters other than the chief of the fire department.

The second part provides for Provincial aid towards compensation fund payments and pension plan payments for full time fire-fighters. It also provides for the establishment of the Ontario Fire College and Regional Fire Schools as well as travelling instructors to train fire-fighters.

Regulations made under the Act prescribe standards for fire apparatus and fire-fighting equipment.

*The Lightning Rods Act* provides for inspection of lightning rod installations in Ontario and for the licensing of agents who install lightning rods. The Fire Marshal has the authority to refuse to issue a licence or, after a hearing, to suspend or revoke a licence for non-compliance with the Act and his decision is final.

Three other statutes not administered by the Department of the

## *Department of the Attorney General*

Attorney General but which provide authority for the Fire Marshal or the local fire department officials to enforce standards or measures designed to prevent fires are:

*The Hotel Fire Safety Act*

*The Gasoline Handling Act*

*The Theatres Act*

*Probation Services:* This division of the Department has a network of Adult Probation Officers located throughout the Province who are responsible for keeping track of the whereabouts and activities of individuals who have been released on probation.

*Criminal Justice Accounts Audit Officer:* The staff of this unit audit the accounts of the various county offices in respect to the fees collected in connection with the administration of justice in each county. They also audit election accounts following any general election or a by-election.

*Attorney General's Laboratory:* Central laboratory facilities are provided by this unit for the testing and analysis work required by the Ontario Provincial Police as well as all other Branches of the Department.

*Traffic Safety Office:* The staff of this Office conduct traffic court clinics for the purpose of giving instructions to drivers guilty of traffic law offences. Offenders are encouraged to attend, although attendance is strictly on a voluntary basis. Staff members also lecture at schools, service clubs, etc., on traffic matters in the interest of promoting safe driving. Currently the Office is engaged on a program of supplying instruction to police forces in Ontario in the use of a new standardized form of traffic ticket. This is being introduced in the Province at the present time to provide a basis for establishing more positive methods of control over the performance of motor vehicle operators. The work of the Office relates closely to the safe driving programs undertaken under the auspices of the Department of Transport.

## **Law Administration Units**

Six of the Department's organizational units deal with responsibilities that are primarily administrative in nature. Their functions are described under headings that identify each unit.

*Ontario Securities Commission:* The work of this unit of the Department is directed by a three-man Commission established under *The Ontario Securities Act*. This Act makes the Commission responsible for the

## *Organization of Government in Ontario*

regulation of trading in securities and also for the regulation of the conduct of persons registered to trade in securities.

Under the provisions of the Act, the Commission is required to review the prospectus, financial statements, and any other material required under the Act from any company that issues an invitation to the public to subscribe to its securities. The Act also requires any firm or individual engaged in selling or trading securities to be registered and licensed by the Commission. The Commission staff carefully screens applicants for registration to trade in securities both as individuals and companies and, in the case of companies, reviews their financial statements to determine the applicants' financial ability to carry on the business for which they are applying for registration. Any alleged offences relating to the sale of securities are thoroughly investigated and a report submitted to the Commission on the results of these investigations.

On the basis of such investigation, the Commission may suspend or cancel any registration when it considers such action to be in the public interest. Similarly, the Commission may deny a person or company the benefits of exemptions with respect to certain types of transactions that are exempted from the requirements of the Act.

In practice, the powers vested in the Commission are exercised by the Chairman who is a full time employee of the Department or, in his absence, by the Vice-Chairman. However, every direction, decision, order or ruling of the Chairman or Vice-Chairman is subject to review by the Commission as a whole and any person who is denied the right to trade or whose rights are restricted, may request a hearing by the Commission as a whole. In the case of an adverse decision, there is a right of appeal to the Supreme Court.

Certain actions of the Commission are subject to the approval of the Attorney General. For example, in the absence of a complaint made under oath, an investigation order may only be issued by the Attorney General and, in any event, the results of the investigation may only be published with his approval. In addition, when charges are recommended by the Commission under the provisions of *The Ontario Securities Act*, permission must first be obtained from the Attorney General. Consequently, the Commission can be said to be a subsidiary body within the Department of the Attorney General, rather than an independent agency.

*Master of Titles:* The Master of Titles is responsible for directing the work carried out by the Land Titles Officers in the various Land Titles offices throughout the Province. The work dealt with at these offices in-



## *Department of the Attorney General*

cludes the recording of all property titles as well as deciding whether a title is valid or not.

*Accountant, Supreme Court of Ontario:* This branch of the Department is responsible for keeping the accounts of the Supreme Court of Ontario. The Accountant is advised by a Finance Committee consisting of the Assistant Deputy Attorney General, the Deputy Minister of Economics and the Superintendent of Insurance, on the investment of funds that are in the custody of the Court and on the rate of interest to be allowed on funds held in trust by the Supreme Court.

*Public Trustee:* Under provisions of *The Public Trustee Act*, the office of Public Trustee is established as a corporate entity. The responsibilities of the Public Trustee are defined in a wide variety of Provincial statutes. In general these responsibilities require the Public Trustee to act in the capacity of trustee, executor, administrator, etc., for persons who are not considered capable of acting for themselves, for persons who die intestate with no next-of-kin capable of acting, and under a number of other similar circumstances. The Act also provides that the Public Trustee may charge for his services and that the Lieutenant-Governor in Council may make regulations respecting the amount of such charges.

Two statutes are the source of a substantial share of the total volume of work handled by the Public Trustee. *The Mental Hospitals Act* specifies that the Trustee shall be appointed as a "Committee of the Estate" of every patient admitted to an institution governed by the terms of that Act, as well as of any patient suffering from mental illness in a hospital operated by the Department of Veterans' Affairs, unless a Committee has already been appointed by the Court. Under *The Crown Administration of Estates Act*, the Public Trustee may be appointed administrator of persons who die intestate in Ontario under certain conditions in respect to next-of-kin.

However, the Public Trustee also has responsibilities of a fiduciary nature under each of the following statutes:

*The Charities Accounting Act*

*The Escheats Act*

*The Charitable Gifts Act*

*The Mortmain and Charitable Uses Act*

*The Cemeteries Act*

*The Child Welfare Act*

*The Corporations Act*

*The Trustee Act*

## *Organization of Government in Ontario*

*The Dependants Relief Act*

*The Dower Act*

*The Surrogate Courts Act*

*The Devolution of Estates Act*

As the titles of these Acts indicate, the basic function of the Public Trustee is to act on behalf of those who are not in a position to act for themselves or in certain cases where a public trust is involved, particularly those involving charitable organizations or gifts.

*Official Guardian:* The Official Guardian is appointed under *The Judicature Act* to be the “guardian ad litem” or public protector of the interests and rights of infants in Ontario during litigation. This relationship applies regardless of the station or circumstances of the infant or his family and the Official Guardian’s office is automatically notified any time that a case is coming into court that involves an interest of a child in an estate.

The Official Guardian is also responsible, under *The Matrimonial Causes Act*, for having reports prepared on one or both of the parents concerned in a divorce or custody action where the custody of a child is involved. These reports are usually prepared by the staff of the children’s aid society in the community where the parents are residing and are used by the judge hearing the action in his disposition of the case.

*Legislative Counsel and Registrar of Regulations:* In his capacity as Legislative Counsel, this official is responsible for drafting all legislative measures introduced in the Provincial Legislature. He also acts in an advisory capacity to the Provincial Government on matters of a legislative nature.

In his capacity as Registrar of Regulations, he maintains a central registry of all regulations approved by the Executive Council. It is his responsibility to ensure that regulations, within the meaning of *The Regulations Act*, are properly drafted, made by competent authority and published in the Ontario Gazette.

### **Inspector of Legal Offices**

The Inspector of Legal Offices is appointed under *The Judicature Act* and his responsibilities include both law enforcement and administration within the various court offices in the counties and districts throughout the Province. As well as dealing with the administrative problems of staffing the offices, arranging space, etc., the Inspector is responsible for inspecting these offices at periodic intervals and for auditing their revenues.

## *Department of the Attorney General*

The court offices over which the Inspector has jurisdiction include those of Sheriffs, Crown Attorneys, Clerks of the Peace, Local Registrars of the Supreme Court of Ontario, County and District Court Clerks, Surrogate Court Registrars of Deeds and Local Masters of Titles, Juvenile Court Judges, Magistrates, Division Court Clerks and Bailiffs and to a certain extent the County and District Court Judges, where the Judge concerned is the Local Master of the Supreme Court.

He also maintains records of all Coroners, Justices of the Peace, Notaries Public, and Commissioners for Taking Affidavits and makes recommendations as to appointments to these offices.

### **General Legislation**

In addition to the legislation already described, there are a number of other statutes that contain provisions that may affect the work of various personnel in the Attorney General's Department. Examples of this type of legislation are *The Conveyancing and Law of Property Act*, *The Escheats Act*, *The Evidence Act* or *The Execution Act*. Because of the number of such Acts involved and because, in many cases their provisions are not possible of proper interpretation without quoting them verbatim, we have not attempted to deal with such Acts in this memorandum.

Similarly, while the Department of the Attorney General has certain responsibilities under *The Division Courts Act* and *The County Courts Act*, these responsibilities are shared with the judges concerned and it would not be entirely accurate to state that the Department is responsible for the administration of these Acts.



# Organization of Government in Ontario

## DEPARTMENT OF THE ATTORNEY GENERAL EXHIBIT 1

### REVENUE

<i>Branch</i>	<i>Budget 1957-58</i>	<i>Actual 1957-58</i>	<i>Budget 1958-59</i>
MAIN OFFICE	—	\$ 20,000.00	—
CRIMINAL JUSTICE ACCOUNTS	\$ 6,000	\$ 7,553.87	—
FIRE MARSHAL			
Taxes	\$ 220,000	\$ 669,188.51	\$ 440,000
Other	2,000	1,344.29	2,000
	<u>\$ 222,000</u>	<u>\$ 670,532.80</u>	<u>\$ 442,000</u>
INSPECTOR OF LEGAL OFFICES			
Magistrates—fines	\$1,100,000	\$1,124,720.05	\$1,000,000
fees	375,000	342,076.04	325,000
Local Master of Titles and Registrars of Deeds—fees	295,000	362,029.56	350,000
Local and Surrogate Registrars, County and District Court Clerks—fees	1,600,000	1,727,711.76	1,700,000
Crown Attorneys—fees	155,000	400,664.89	275,000
finances and estreated bail	5,000	3,789.75	5,000
Sheriffs—fees	525,000	726,734.25	650,000
Division Court Clerks and Bailiffs—fees	225,000	241,363.45	225,000
Miscellaneous	45,000	50,528.11	45,000
	<u>\$4,325,000</u>	<u>\$4,979,617.86</u>	<u>\$4,575,000</u>
ONTARIO PROVINCIAL POLICE	\$ 99,000	\$ 95,323.22	\$ 100,000
ONTARIO SECURITIES COMMISSION			
Brokers and salesmen	\$ 233,000	\$ 169,972.50	\$ 158,000
Filings	—	53,440.00	52,000
Miscellaneous	1,000	1,051.75	1,000
	<u>\$ 234,000</u>	<u>\$ 224,464.25</u>	<u>\$ 211,000</u>
REFUNDS OF OPERATING EXPENSES			
Public Trustee	\$ 579,000	\$ 569,697.82	\$ 662,000
Official Guardian	142,000	145,184.69	122,000
Accountant Supreme Court of Ontario	40,000	37,270.79	45,000
	<u>\$ 761,000</u>	<u>\$ 752,153.30</u>	<u>\$ 829,000</u>
<i>Total</i>	<u>\$5,647,000</u>	<u>\$6,749,645.30</u>	<u>\$6,157,000</u>

# Department of the Attorney General

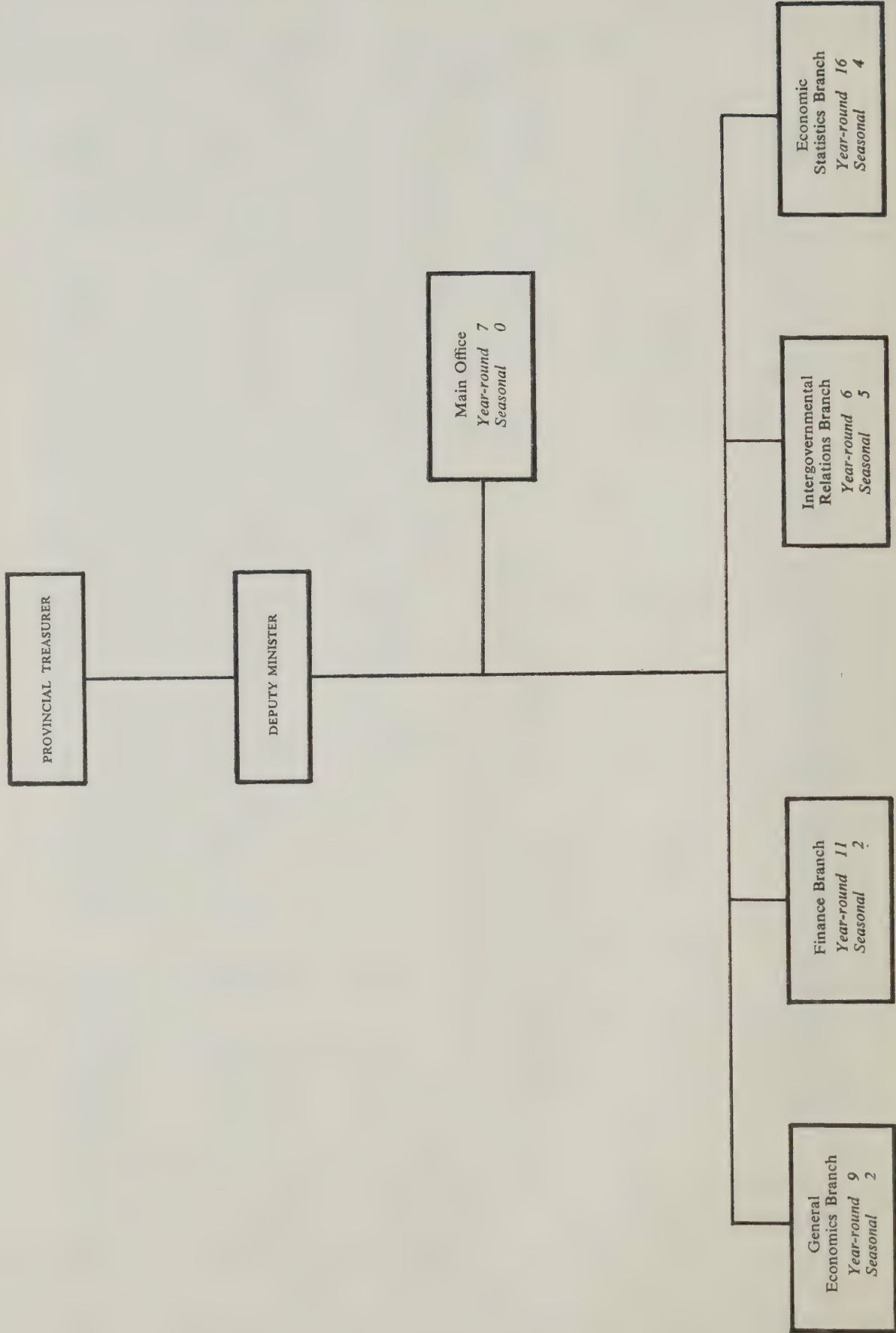
## DEPARTMENT OF THE ATTORNEY GENERAL EXHIBIT 2

### EXPENDITURE

<i>Branch</i>	<i>Budget 1957-58</i>	<i>Actual 1957-58</i>	<i>Budget 1958-59</i>
MAIN OFFICE	\$ 318,000	\$ 308,278.93	\$ 376,000
LEGISLATIVE COUNSEL AND REGISTRAR OF REGULATIONS	\$ 67,000	\$ 59,375.74	\$ 69,000
TRAFFIC SAFETY	\$ 122,000	\$ 51,714.27	\$ 60,000
SUPREME COURT OF ONTARIO	\$ 324,000	\$ 321,317.62	\$ 387,000
SUPREME COURT REPORTERS	\$ 141,000	\$ 141,296.69	\$ 157,000
MASTER OF TITLES	\$ 175,000	\$ 172,628.90	\$ 206,000
DIRECTOR OF TITLES	—	—	\$ 7,000
CRIMINAL JUSTICE ACCOUNTS			
Audit Office	\$ 23,000	\$ 20,827.65	\$ 24,000
Counties and cities	800,000	656,171.06	200,000
Districts	1,210,000	1,524,531.32	337,000
Magistrates and Juvenile Courts	560,000	518,443.21	660,000
Crime Detection Laboratory	108,000	114,871.38	169,000
Probation Offices	750,000	785,997.67	913,000
Elections	—	61,468.86	—
Other	11,000	11,160.45	12,000
	\$ 3,462,000	\$ 3,693,471.60	\$ 2,315,000
PUBLIC TRUSTEE	\$ 579,000	\$ 569,697.82	\$ 662,000
OFFICIAL GUARDIAN	\$ 246,000	\$ 246,251.46	\$ 305,000
ACCOUNTANT, SUPREME COURT OF ONTARIO	\$ 40,000	\$ 37,270.79	\$ 45,000
FIRE MARSHAL	\$ 440,000	\$ 419,997.10	\$ 562,000
INSPECTOR OF LEGAL OFFICES			
Inspector's Office	\$ 107,000	\$ 104,324.88	\$ 118,000
Toronto and York Crown Attorneys	105,000	100,434.52	597,000
Local Masters of Titles and Registrars of Deeds	261,000	279,067.99	293,000
Salaries—Sheriffs, etc.	1,310,000	1,379,299.02	1,540,000
Other	201,000	195,973.25	264,000
	\$ 1,984,000	\$ 2,059,099.66	\$ 2,812,000
ONTARIO PROVINCIAL POLICE	\$ 9,857,000	\$ 9,802,798.78	\$11,175,000
ONTARIO SECURITIES COMMISSION	\$ 220,000	\$ 201,866.85	\$ 230,000
	\$17,975,000	\$18,085,066.21	\$19,368,000

# PROVINCE OF ONTARIO

## Plan of Organization of the Department of Economics



Separate figures are used to show



### 3. Department of Economics

This memorandum is based on a report submitted by the Department directly to the Committee.

The Department of Economics had its genesis in the Ontario Bureau of Statistics and Research which was established as a branch of the Treasury Department in 1943. The Bureau not only served as the economic and statistical arm for the Treasury and other departments but also became the principal agency through which studies on Federal-Provincial tax-sharing and other arrangements were carried out. As time passed, an increasing number of assignments concerning economic and fiscal policies were undertaken by the Bureau and it also assumed the responsibility for the preparation of material for the Budget Speech and numerous other policy statements.

In April, 1951, the establishment of the Office of the Provincial Economist—an outgrowth of the Bureau of Statistics and Research—gave formal recognition to this work. In 1954, upon the retirement of the Provincial Statistician, the Bureau of Statistics and Research was absorbed by the Office of the Provincial Economist and early in 1956 *The Department of Economics Act, 1956*, changed the Office to departmental status.

Under the Act, the functions of the Department are “to study, analyze, advise upon and make recommendations on matters pertaining to,

- (a) economic and financial conditions and trends;
- (b) economic and financial policy;
- (c) fiscal relations between governments; and
- (d) any other matters designated by the Lieutenant-Governor in Council.”

In view of the close relationship of its work with finance, the new Department of Economics was placed under the direction of the Treasurer who authorizes the appointment of staff and oversees other related matters.

As the organization chart opposite shows, the Department com-

## *Organization of Government in Ontario*

prises the Office of the Deputy Minister, and four Branches, viz: General Economics Branch, Finance Branch, Intergovernmental Relations Branch and the Economics Statistics Branch. As of July, 1958, year-round staff numbered 49, with an additional 13 seasonal employees.

The functions of the various Branches are outlined briefly hereunder:

*Economics Branch:* This Branch is responsible for studying and analyzing economic and social conditions and trends, and for undertaking various special studies.

*Finance Branch:* This Branch prepares reports and memoranda on matters relating to the Government's fiscal policy. It maintains a continuing review of the financial standing of the Province with special emphasis on its revenue, expenditure and debt. Trends in the bond market are studied and a limited weekly survey circulated. Other special studies of a fiscal nature are also undertaken. These have included questions of milk pricing, hospital insurance financing and the financial aspects of toll roads.

*Intergovernmental Relations Branch:* This Branch prepares studies on the economic and fiscal relations among the three levels of Government—Federal, Provincial and Municipal. Studies have been prepared, for example, on Federal-Provincial Tax-Sharing Arrangements as well as on varied aspects of the problem of education at both the Provincial and Municipal levels. The Branch also undertakes various other special studies as required.

*Economic Statistics Branch:* This Branch compiles economic, finance and taxation statistics, maintains liaison with the Dominion Bureau of Statistics, and edits various Departmental publications. It publishes the annual Economic Survey of Ontario and also prepares a series of economic studies on the Regions of Ontario. Various other special statistical and economic projects are undertaken.

The Department provides economic services for the other departments, boards and commissions of the Provincial government. The many-sided nature of its work is perhaps best described by citing some of the projects upon which it has been engaged. Among these are the following:

(a) The preparation of draft material for the Throne and Prorogation Speeches, the Treasurer's Budget Address and statements on Federal-Provincial relations, Provincial grants to education, unconditional grants to municipalities, establishment of Hospital Insurance Program and other matters.

(b) Submissions to various Royal Commissions and Committees;

## *Department of Economics*

for example, Ontario's submission to the Royal Commission on Canada's Economic Prospects, Ontario's submission to the Royal Commission on Energy, Ontario's submission to the Royal Commission on Price Spreads of Food Products.

(c) Continuing studies on social and economic conditions and trends, including projections of population by economic regions, employment and unemployment, production by industry, capital investment and related matters.

(d) Continuing studies of anticipated Provincial and municipal taxation and other revenues and ordinary and capital expenditures, capital requirements and debt.

(e) Studies on elementary and secondary school and university enrolment, on capital and maintenance needs and grants formulae.

(f) Studies on the economics of forestry and other natural resources, and on housing and secondary industries in Ontario.

(g) Studies on hospital insurance and other health and welfare improvements including old age security plans.

(h) Studies on municipal organizations such as for the Metropolitan Toronto and London areas.

(i) For the Milk Control Board, memoranda and reports are prepared on the production, distribution, costs, prices and profits of dairies operating in Ontario.

### DEPARTMENT OF ECONOMICS

#### ORDINARY REVENUES (SALE OF PUBLICATIONS)

Budget 1957-58 . . . . .	\$3,000.00
Actual 1957-58 . . . . .	3,045.99

#### ORDINARY EXPENDITURES

	<i>Budget</i> <i>1957-58</i>	<i>Actual</i> <i>1957-58</i>	<i>Budget</i> <i>1958-59</i>
Salaries	\$210,000	\$206,340.44	\$267,000
Travelling expenses	5,000	627.00	5,000
Maintenance	28,000	25,972.20	48,000
Special studies	14,000	—	14,000
	<u>\$257,000</u>	<u>\$232,939.64</u>	<u>\$334,000</u>

*The Department does not undertake capital expenditures.*



## 4. The Department of Education

THE DEPARTMENT OF EDUCATION is responsible for generally promoting the development of educational facilities within the Province and for sharing with local educational authorities the responsibility for the planning and control of both the educational programs and the administration of all types of schools, other than universities, which are in whole or part supported by public funds.

In dealing with its responsibilities, the Department provides a wide variety of services to the educational institutions of the Province and to the general public but the following list of activities outlines the main areas of activity in which it carries on its work:

- preparation of the basic academic programs that are to be offered in elementary and secondary schools, guiding local school boards in establishing the facilities needed to provide these programs and inspecting the operation of individual institutions at regular intervals to ensure that the specified programs are being conducted.
- operating institutions for training teaching staff for elementary schools and exercising certain measures of control over the operation of facilities for training teachers for secondary schools. Operating technical institutes to supply courses of vocational instruction in areas outside or levels beyond those provided by vocational schools.
- controlling the certification of teachers, and the issuing of diplomas to pupils to the end of Grade 12 and, in conjunction with the universities, conducting the Grade 13 examinations.
- operating specialized institutions as well as maintaining more general facilities for the purpose of supplying educational instruction to handicapped children.

## *The Department of Education*

- sponsoring and guiding the development of local community programs for adult education.
- maintaining a central Provincial library for the use of the Legislature, the civil service and the general public as well as sponsoring and overseeing the operations of public libraries throughout the Province.
- maintaining the archives of the Province.

As of July, 1958, the Department was employing on a year-round basis a total staff that numbered some 1,200 employees. In addition to that full-time staff it normally also uses each year approximately 5,000 additional people for work of a seasonal nature. Some 3,300 of these seasonal employees are engaged in a capacity known as “practice teachers”. Practice teachers are regular members of the teaching staffs of school boards who, during limited periods of the school year, observe and supervise the practice teaching of students from the Teachers’ Colleges which the Department operates, and are compensated for this special service. The remainder of the total of 5,000 part-time employees is composed of teachers and other staff engaged during the summer months in connection with the operation of summer courses for teacher training or the marking of examination papers and distribution of examination results.

During the fiscal year 1957-58 total ordinary expenditures of the Department amounted to approximately \$142,000,000. Of that sum grants made to local school and library boards and to universities accounted for almost \$121,000,000 and contributions to the Provincial Teachers’ Superannuation Fund for a further \$10,500,000. Thus total costs of providing the services supplied by the Department were some \$10,000,000. Revenues of the Department in the same year amounted to about \$1,400,000. Fees collected by technical institutes made up a figure of nearly \$900,000 in that total and grants provided by the Federal Government accounted for a further \$300,000. Exhibits 1 and 2 which follow this memorandum supply a breakdown of both expenditures and revenues in some detail.

The principal responsibilities of the Department, its general methods of operation and its relationships with associated agencies are described under the following headings:

Legislation Governing the Department’s Operations.

Principal Divisions of the Department.

Miscellaneous Services.

Associated Agencies.

## *Organization of Government in Ontario*

### **Legislation Governing the Department's Operations**

The statutes that govern the operations of the Department give the Minister and the Lieutenant-Governor in Council very broad powers over the administration of elementary and secondary school education in the Province. As a preliminary step in reviewing the operating procedures of the Department, the main features of the legislation that establish control over this area of education must be examined. The statutes concerned are:

*The Department of Education Act, 1954*

*The Public Schools Act*

*The Secondary Schools and Boards of Education Act, 1954*

*The Schools Administration Act, 1954*

*The Separate Schools Act*

*The Trade Schools Regulation Act*

The more important provisions of these statutes are outlined below.

*The Department of Education Act, 1954:* This Act, which establishes the Department, assigns to the Minister powers which give him comprehensive control over the academic aspects of the administration of elementary schools, secondary schools, institutions for the training of teachers, and technical institutes. It also empowers him, with approval of the Lieutenant-Governor in Council, to establish, maintain, and conduct Teachers' Colleges and Provincial Technical Institutes, and to provide for the operation of a College of Education either by establishing such an institution or by making an agreement whereby it is operated by a university.

Through a specific provision, the Act makes the Minister fully responsible for defining or approving the courses of study to be conducted in elementary and secondary schools, Technical Institutes, and Teachers' Colleges. Subject to approval of the Lieutenant-Governor in Council and to provisions of other statutes, it permits him to make regulations relating to such matters as (i) the establishment, organization and administration of any of these institutions; (ii) the admission of pupils, the conduct of examinations, and the granting of diplomas and certificates of standing; (iii) the qualifications and experience required by persons who may be employed as teachers; (iv) the determination of fees where they are appropriate; (v) the establishment of transportation services for pupils under certain circumstances; (vi) the conditions governing the payment of legislative grants to school boards and the apportionment and distribution of



## *The Department of Education*

all moneys appropriated or raised by the Legislature for educational purposes; etc.

The Act also provides for the operation under the Minister's administration of the School for the Blind and the School for the Deaf as well as for the making of regulations governing the conduct of these schools.

In addition, this Act authorizes the Minister, subject to the approval of the Lieutenant-Governor in Council, to make regulations providing for adult education, camping and physical education programs under municipal auspices, determining the conditions governing the payment of grants appropriated by the Legislature for specific programs, and providing for Departmental control over the administration of the programs concerned.

The large annual grants that are paid by the Province to school boards are provided for in regulations made under provisions of this Act. The system used in determining the amounts of such grants is a complex one. In the paragraphs that follow an attempt is made to summarize the main features of the basic procedures.

The total of the main grants to be made to a school board in any particular instance is the sum of two amounts. The first of these amounts is a specified percentage of the total operating costs, as defined by the Department, incurred by the school board during a year. The second amount is the product of the average number of pupils in attendance per day at the schools which the board operated and a specified rate of grant per pupil.

Both the percentage ratio applied to costs and the rate of grant per pupil are variable figures. The ratio or rate applicable in any case is dependent on three factors which are as follows:

- the character and size of the municipality concerned. Distinctions are made between urban municipalities falling in different population size groups, rural municipalities and metropolitan areas.
- a figure representing the value of the total provincially equalized assessment of the area concerned expressed as an amount per classroom operated in the case of elementary schools, and as an amount per capita in the case of high schools, continuation schools or vocational schools.
- a figure that is termed “recognized extraordinary expenditure” per classroom in the case of elementary schools and per pupil in the case of other schools. This figure is the quotient obtained by dividing the number of classrooms, or the average number of pupils in

## *Organization of Government in Ontario*

attendance, into the sum of allowable expenditures for debenture payments, capital outlays from current funds, and for pupil transportation.

The ratios and rates used are specified in a series of tables that form part of the regulations. Some indication of the differences that exist between the ratios and rates applicable under different situations is provided by the summarized figures which appear in Exhibit 3 on the opposite page. In setting out the summarized information the effect of the third of the factors noted above has not been shown because it is relatively small.

The regulations also include provisions for augmenting the amounts of school grants determined as above by the use of specified adjustments that have the effect of increasing payments made to boards which operate special classes for handicapped pupils, employ full-time home-instruction teachers, operate industrial arts and home economics classrooms, departments of agriculture, etc. In addition, provisions are made to cover the payment of special grants in respect to the operation of evening courses, for specified expenditures on text books and library books and to meet certain other particular requirements.

Apart from grants for school purposes, regulations issued under the Act also provide for the payment of grants to Municipal Councils for purposes of conducting approved community recreation programs and grants in support of the operation of museums. Grants are also authorized for use in support of public libraries.

### *The Public Schools Act*

### *The Secondary Schools and Boards of Education Act, 1954*

### *The Separate Schools Act*

The above group of statutes, in combination, incorporate provisions which accomplish the following main results.

They require municipal councils to define the boundaries of school sections or areas and to arrange for the formation of school boards, or boards of education, with corporate status that will be responsible for providing facilities and operating schools within each section or area. They require that the members of a board be ratepayers of the area over which the board will have jurisdiction and be British subjects. They define the primary duties and general methods of operation to be employed by such boards. Specific provisions permit the formation of individual boards to deal with public schools, separate schools, continuation schools and high schools, or the formation of boards of education, which are made respon-

EXHIBIT 3 SUMMARY OF SPECIFICATIONS DETERMINING MAIN GRANTS TO SCHOOL BOARDS

I—ELEMENTARY SCHOOLS

	Percent of Total Recognized				Grant Rate			
	Cost Payable				Per Pupil Payable			
	Assessment Per Classroom		For	For	For	For	For	For
	Categories Specified		Maximum	Minimum	Maximum	Minimum	Maximum	Minimum
	Maximum	Minimum	Assessment	Assessment	Assessment	Assessment	Assessment	Assessment



II—HIGH SCHOOLS

	<i>Assessment Per Capita Categories Specified</i>	<i>Percent of Total Recognized Cost Payable</i>		<i>Grant Rate Per Pupil Payable</i>	
		<i>For Maximum Assessment Category</i>	<i>For Minimum Assessment Category</i>	<i>For Maximum Assessment Category</i>	<i>For Minimum Assessment Category</i>
		<i>Maximum</i>	<i>Minimum</i>		
<i>Category of Municipality</i>					
1. Urban Municipalities Population 90,000 or more . . . . .	under \$1,500	30%	40%	\$ 80	\$125
2. Metropolitan Area Urban Municipalities under 90,000 and Rural Municipalities . . . . .	under \$1,600	35%	70%	\$ 45	\$150
3. Urban Municipalities Population 13,000 or more but under 90,000 . . . . .	under \$ 600	35%	76%	\$105	\$200
4. All Rural Municipalities and Urban Municipalities Population under 13,000	under \$ 400	50%	92%	\$119	\$240

III—VOCATIONAL SCHOOLS

The data for Vocational Schools, is similar as to treatment to that for High Schools

## *The Department of Education*

sible for both public and secondary schools.

In a variety of ways, and depending on the nature of the municipalities concerned, councils of adjacent municipalities are permitted to make joint arrangements to form a single board of any of the above types that will establish and operate schools either throughout the combined areas of the separate municipalities or within designated portions of the municipalities. Similarly, subject to the approval of the Minister, boards responsible for adjacent school areas are permitted to make arrangements to establish common school facilities that will be used to serve each of the participating areas.

The statutes establish the right of every person between the ages of approximately six and twenty-one years to attend, without cost, a school located in the school section or area where he resides, or attend some other school under arrangements made by the board responsible for the area in which he resides. The right of attendance is unrestricted in the case of elementary schools but academic qualifications must be obtained in the case of secondary schools.

The statutes require every municipal council to levy and collect taxes from property owners of the municipality to cover the expenditures which a board, responsible for the operation of schools in that municipality, incurs in carrying out its responsibilities. To deal with situations in which arrangements have been made to establish joint boards serving two or more municipalities, or to operate common facilities, provisions are incorporated which define the procedures to be used in distributing total board expenditures among the participating municipalities or the boards concerned. Provision is also made to permit sums required for the expenditures of separate school boards to be obtained from tax levies made on property held by declared separate school supporters.

The Minister is authorized to exercise control over the operation of all schools established under the statutes through supervision of such schools by qualified inspectors. He is given authority to determine the number of inspectors to be employed. Boards of cities and other boards employing one hundred or more teachers are permitted to appoint the inspectors for the schools under their jurisdiction but the appointments which they make must be ratified by the Minister. All other appointments are made by the Minister, and these appointees are permanent employees of the Department.

All inspectors are made responsible directly to the Minister for ensuring that school facilities are provided and maintained and that school

## *Organization of Government in Ontario*

programs are conducted in accordance with the controlling legislation and regulations and also for guiding and assisting individual school boards in developing plans and programs appropriate to the needs of each community.

*The Schools Administration Act, 1954:* The provisions of this Act establish a variety of practices and procedures which must be followed in the administration of elementary and secondary schools. The principal matters dealt with are the following:

**SCHOOL TERMS AND COMPULSORY ATTENDANCE:** The periods of any year during which such schools will operate are specified and all children between the ages of approximately six and sixteen years are required to attend a school on every school day unless excused because of sickness or other unavoidable cause, the fact that a child is receiving elsewhere instruction that is satisfactory to the Minister, has graduated from secondary school, or a limited number of other prescribed reasons.

Provision is made for the appointment of a provincial school attendance officer to superintend the enforcement of compulsory attendance under the direction of the Minister. Further, every school board, in the case of urban municipalities, and council in the case of other municipalities, is required to appoint one or more local school attendance officers to enforce attendance within individual municipality or school board areas. The Act stipulates that an attendance officer will perform his duties under the direction of the inspector or inspectors concerned, receive reports concerning the absence of pupils, suspensions or expulsions, submit monthly reports to the body that appointed him and annual reports to the Provincial school attendance officer.

In connection with school attendance, the Act provides that when, in the opinion of the Minister, school trustees of an unorganized territory fail to provide sufficient accommodation for the children entitled to attend school, he may direct the Provincial school attendance officer to exercise all the powers of a school board, provide the necessary accommodation, conduct a school and assess and levy the sums of money required for that purpose in accordance with *The Public Schools Act* and its associated regulations.

**TEACHERS:** A number of specifications having to do with such matters as teacher qualifications, the use of text books and the employ-



## *The Department of Education*

ment relationship between a teacher and a school board are established. The Act provides that elementary and secondary schools shall employ only teachers who are qualified as prescribed by regulations made under *The Department of Education Act, 1954* or other provisions of that Act. It requires that text books used or permitted to be used for any prescribed course be limited to those approved by the Minister and authorizes the Minister to penalize a board or teacher for failure to abide by this provision. It calls for the use of a prescribed form of employment contract between a teacher and a board and sets out arrangements for dealing, through the division court, with disputes between the parties in connection with the payment of a teacher's salary. It also provides that formal notice of termination of a teacher employment contract be given by either party and that, in the event that the engagement of a teacher is not terminated in a manner that is mutually agreeable, may request the Minister to direct that the matter in dispute be settled by a board of reference composed of a county or district court judge as chairman and two other members nominated by the disputing parties.

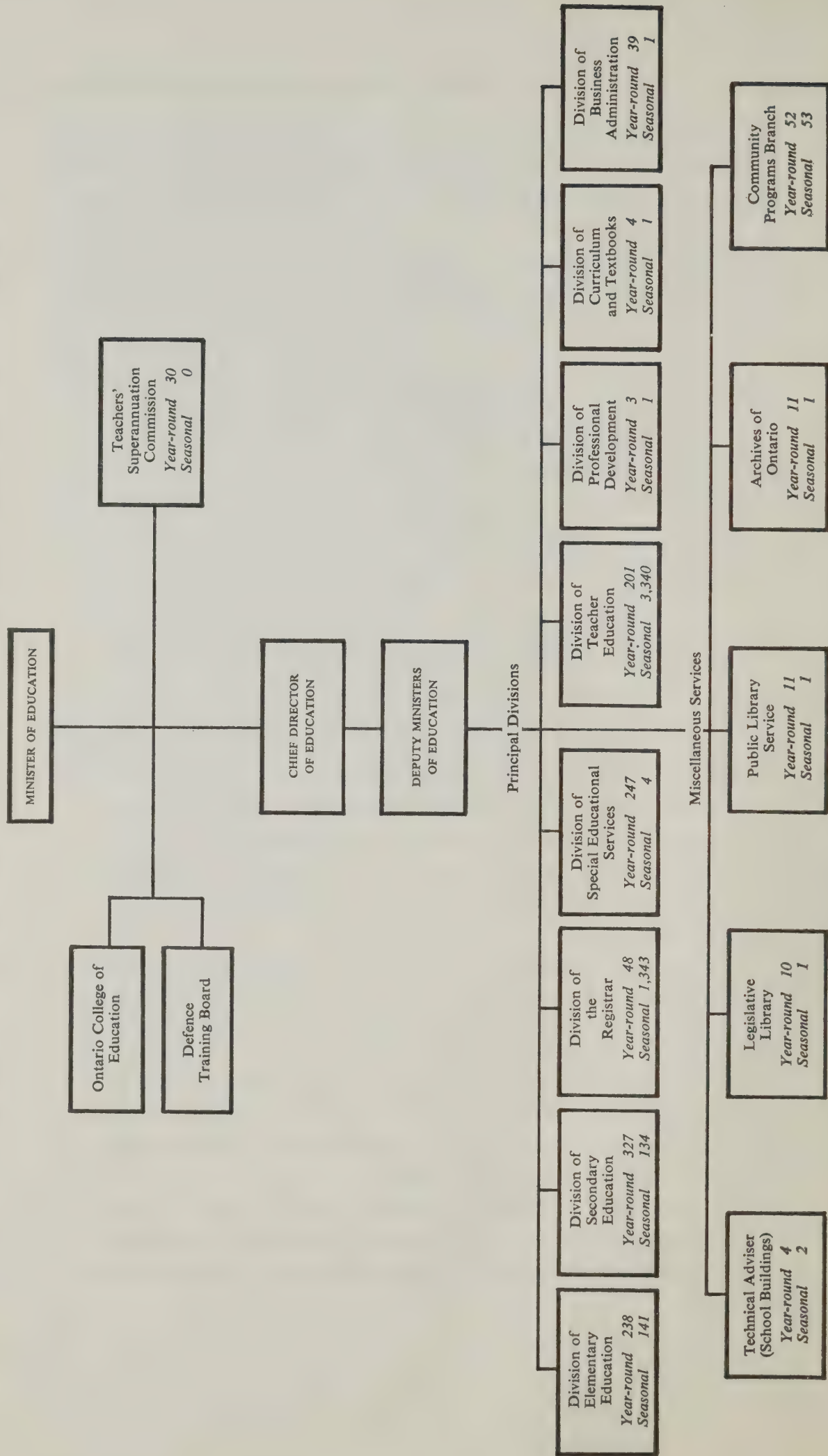
**SCHOOL BOARDS AND TRUSTEES:** The Act sets out required duties of school boards which include such matters as ensuring that schools are conducted in accordance with the Act, that properties are maintained and protected, that board officers are appointed, board members are qualified to act, meetings held and all reports and returns required by the Minister are transmitted to him. It also establishes many permissive powers relating to the types of services that can be supplied in connection with operation of schools and to their administration.

**AUXILIARY CLASSES:** Provision is made to permit the establishment by a school board of classes for children of limited mental capacity or children who for any physical or mental cause are unable to take proper advantage of elementary or secondary school courses, as well as classes in oral speech and lip reading. Boards are empowered, subject to approval of the Minister, to establish suitable facilities for these classes and general procedures for governing the admission of pupils are prescribed.

**SCHOOL SITES:** A school board is empowered to acquire by purchase or to appropriate any land declared by the board to be required for a school site and procedures applicable to expropriation are defined.

PROVINCE OF ONTARIO

Plan of organization of the Department of Education and related boards, commissions and like agencies



NOTE: Figures appearing on this chart indicate approximate size of staffs employed in the different branch units of the Department. Separate figures are used to show the number of personnel employed on a year-round basis and the number employed on a seasonal basis.

## *The Department of Education*

OFFENCES AND PENALTIES: A variety of statutory offences relating to matters of administration are defined and penalties are stipulated.

*The Trade Schools Regulation Act:* This statute requires all trade schools to be licensed by the Department and gives the Minister certain authority, as prescribed, to protect the interests of the students.

### **Principal Divisions of the Department**

Facing this page is a chart showing the plan of staff organization through which the Department deals with its responsibilities in all of its areas of activity. It will be seen that the Minister administers the affairs of the Department through the Chief Director of Education. The Chief Director is assisted by two Deputy Ministers. They are jointly responsible for directing the operation of twelve divisional units or sections of the Department that deal with particular areas of its work. We have identified one group of these units as “principal divisions” because it is under these divisions that most of the Department’s activities are carried out. The remaining units deal with miscellaneous services provided by the Department. In dividing responsibility for directing divisional work between the two Deputy Ministers one specializes in the handling of matters relating to elementary school administration while the other specializes in the handling of secondary school matters.

The main functions dealt with by the several units we have identified as principal divisions are outlined briefly in the following paragraphs.

*Division of Elementary Education:* The staff of this division is responsible for planning and supervising the operation of the elementary school system. All inspectors of such schools appointed by the Minister are attached to this division and the division generally oversees and guides the work of inspectors appointed by local school boards. Its field of activity includes:

- supplying advice and direction to councils in connection with the formation of school boards, definition of school areas, alteration of areas, etc.
- supplying advice and direction to school boards in connection with the provision of school buildings and facilities.
- regularly inspecting all schools and assisting principals and teachers in the organization of their work and development of their methods of instruction.



## *Organization of Government in Ontario*

- reporting upon all matters of concern to the Department.
- supplying advice and information to school officials and boards concerning departmental regulations, courses of study, legislative grants, text books, accommodation, etc.
- assisting boards and school officials in planning arrangements to provide facilities for the transportation of pupils.
- supplying specialized staff to give assistance to local inspectors, boards or principals and teachers in developing arrangements to provide instruction within particular subject fields such as agriculture, audio visual educational techniques, art, French, home economics, physical and health education, etc., and to supervise the preparation and revision of courses in these subjects.
- conducting correspondence courses for persons unable to attend schools.
- operating railway school cars in co-operation with railways to provide a means of supplying educational facilities to children in territorial districts.

*Division of Secondary Education:* The functions of this Division generally parallel, for the field of secondary schools, those of the Division of Elementary Schools. However, the division does not conduct correspondence courses or operate special facilities for the education of persons in remote areas.

The staff of the Division frequently work with councils and school boards in planning for the provision of improved secondary school facilities through joint action on the part of several councils and boards to establish larger units of secondary school administration.

The Division is responsible for establishing and operating the Technical Institutes maintained by the Province. At present five of them are being operated. They are Ryerson Institute and the Institute of Trades, Toronto, the Mining Institute in Northern Ontario, the Hamilton Technical Institute, and the Windsor Technical Institute. Associated with these institutes are advisory boards composed of representatives of the trades concerned with the areas of study dealt with in each institute. The Division is directly responsible for all aspects of their administration, however. It should be noted also that apprenticeship training courses sponsored by the Department of Labour and the Federal Government are conducted at these institutes.

## *The Department of Education*

*Division of Special Educational Services:* The responsibilities assigned to this Division cover three areas of activity. They are:

- directing the Department's program for providing education for handicapped children.
- directing guidance programs in schools.
- maintaining central statistical records relating to school operations and generally overseeing the enforcement of school attendance regulations.

In the field of providing for the education of handicapped children the Department maintains and operates two residential schools for blind and deaf children. In addition, the Division employs specialist staff to provide assistance to school boards and officials in developing local programs for both physically and mentally handicapped children. The division staff also works with various associations that are providing instruction for persons in sanatoria, cerebral palsy centres and schools established by the Ontario Association for Retarded Children.

A branch of the Division is responsible for promoting the development of guidance services within local school systems. Staff of this branch supply advice and assistance concerning guidance procedures to inspectors, boards and school staffs.

A statistical branch within the Division assembles for departmental use comprehensive statistical records relating to school operations throughout the Province. Statistics relating to enrollment, attendance, promotions, teaching staffs, school buildings, facilities and finances are compiled. The Division is responsible for ensuring that adequate records of attendance are maintained by all schools and for taking steps to generally oversee the enforcement of school attendance provisions of *The Schools Administration Act, 1954*.

*Division of Teacher Education:* This Division is responsible for establishing and operating the Provincial Teachers' Colleges at which elementary school teachers are trained. At present eight such colleges are in operation.

The headquarters staff of the Division supervises the administration of these colleges and prescribes courses of study and teaching methods, and select the public and separate schools to be used for practice teaching.

*Division of Professional Development:* This Division is responsible for planning and promoting the adoption of measures and programs aimed at improving the skills of the teaching staffs of elementary schools. In

## *Organization of Government in Ontario*

co-operation with other divisions of the Department, it arranges and supervises the conduct of summer course training programs for these teachers and assists in the development of teacher courses sponsored by local groups or organizations of teachers.

*Division of Curriculum and Text Books:* This Division is the agency responsible for co-ordinating the planning of curriculum and the selection of text books to be authorized for use in the schools under departmental jurisdiction. The Division staff work with the Elementary and Secondary Education Divisions, school officials and school boards in carrying on a continuing review of curricula and in developing recommendations for changes and revisions in courses of study. In this connection it prepares data and information for release to all concerned when changes are made or when experimental courses of study are introduced.

The Division arranges for the examination of all texts submitted for approval for use in elementary and secondary schools and consults with authors and publishers of such texts as requested.

*Division of the Registrar:* This Division handles a variety of general administrative functions for the Department as a whole. It arranges for the preparation of Departmental examination papers, establishes examination centres, arranges for the conduct of examinations, the marking of papers, recording of results and the issuing of qualification certificates, etc.

The Division is also responsible for handling the detail work connected with certification of teachers. It receives and examines applications for certification, issues interim and permanent teaching certificates and maintains certification registers. In connection with its work in this area, the Division receives applications for admission to Teachers' Colleges and in collaboration with the Division of Teacher Education, arranges for the admission of acceptable applicants.

The Division is responsible for all administrative work connected with the conducting of summer courses and for arranging programs for the interchange of teachers with other provinces and other Commonwealth countries, as well as for various other miscellaneous services. In addition, the Department's mail office services, central files and publication stock rooms are maintained by the Division.

*Division of Business Administration:* This Division prepares the annual estimates for the Department, and accounts for all Departmental revenues and expenditures including payrolls and grants. The supervision of the accounting records at the Technical Institutes, Teachers' Colleges and the Ontario Schools for the Blind and Deaf is one of its responsibilities.



## *The Department of Education*

It processes appointments to the staff and attends to duties pertaining to personnel, the actual purchasing of goods and services, and all other matters related to the business administration of the Department.

### **Miscellaneous Services and Administrative Activities**

The functions of the various units of the Departmental organization that are responsible for providing services of a miscellaneous nature are outlined below.

*Technical Advisor (School Buildings):* A small specialist staff is maintained to supply technical advice to school boards in respect to contemplated building programs. Information is provided on such matters as the size and numbers of rooms required to meet the needs of specific situations, probable costs of construction, etc. The staff also reviews plans for buildings, and suggests any changes that may result in increased efficiency from the buildings.

*Legislative Library:* The Provincial Legislative Library is operated by the Department. The services of the Library are established primarily for the use of Members of the Legislature and civil servants but are available to the public generally. On request, its material is loaned to other libraries.

*Public Library Service:* This unit of the Department provides advice, direction and assistance to public library boards and libraries throughout the Provinces. Its work is carried out under provisions of *The Public Libraries Act* which deals with the establishment of public libraries, library co-operatives and library associations. Under the Act, it inspects libraries, reviews library reports and recommends the payment of grants to libraries.

In addition it operates a professional library for teachers and a travelling library service through which periodic supplies of books are loaned to rural schools, and community groups that lack library service.

*Archives of Ontario:* This unit is responsible, under *The Archives Act*, for acquiring, indexing and storing records of the Legislative Assembly or any department, commission or agency of the Province that have historical value. Material dealt with includes manuscripts, maps, pictures, etc. relating to the history of Ontario.

*Community Programs Branch:* This Branch maintains a staff which supplies advisory services in connection with the development of organized community recreation programs and handles the detailed work connected with the administration of grants paid to municipal councils in support of

## *Organization of Government in Ontario*

recreation programs and services that have been approved under provisions<sup>n</sup> of *The Department of Education Act, 1954*.

In dealing with its responsibilities in this field, the Branch sponsors and also conducts a variety of courses relating to both the operation of recreational programs and to adult educational programs. Included in such undertakings are courses designed to train community leaders for work in these fields. For these general purposes bulletins, handbooks and instructional materials are prepared and distributed.

As part of its work in the field of adult education, the Branch staff assists communities in forming classes at which Basic English and Civics can be taught to immigrants from foreign language countries.

### **Associated Authorities**

There are three main Provincial authorities which, though outside the organization of the Department itself, are closely associated with its field of responsibility and its operations. The nature and functions of these agencies, and their relationships with the Department are described below.

*Ontario College of Education:* At present, this is the sole institution in the Province at which courses of instruction are provided that lead to the granting of a Departmental certificate for teaching in the secondary schools. The College is a faculty of the University of Toronto and is administered by the University. However, by agreement between the University and the Minister of Education, the Minister has the authority to appoint the academic staff of the College and to approve any changes in its courses of study. Further, inasmuch as grants from the Department provide the main source of funds for the operation of the College, its budgets are also subject to approval by the Minister.

*Teachers' Superannuation Commission:* This Commission is established under *The Teachers' Superannuation Act* and is responsible for the administration of that Act. The Act provides for the establishment of a Teachers' Superannuation Fund from which superannuation and disability allowances are paid, after prescribed periods of service, to teachers who have been employed in any of the schools coming under the jurisdiction of the Department. Contributions are made to the Fund by the teachers and from the Provincial Treasury.

The Commission is composed of nine members. Four of these are elected by the individuals contributing to the Fund. The remaining five, including the Chairman, are appointed by the Minister of Education.

## *The Department of Education*

*Defence Training Board:* This Board is composed of representatives of the Department of Education, the Army and the Air Forces. It was formed, at the request of the Federal Department of Labour, for the purpose of selecting, employing and paying teachers required by the above branches of the armed forces, to provide instruction in schools and training centres which they operate.

The Federal Department of Labour has deposited funds with the Provincial Treasurer which are sufficient to discharge the obligations undertaken by the Board. The Board reports to the Department of Labour from time to time regarding its activities.

### **Independent Educational Authorities**

By reason of the fact that the Minister administers the statutes which provide for their operation, the Department has some interest in a number of other educational institutions. The institutions concerned are indicated by the following list of Acts of this type:

*The University Act* and Acts establishing other Universities

*The Royal Ontario Museum Act*

*The College of Art Act*

*The Mining Schools Act*

*The Upper Canada College Act*

In no case does the Department participate in the day-to-day administration of these institutions, however.

### **Addendum, August, 1959**

In April, 1959, the section of the Department of Education known as the Archives of Ontario was transferred to the Department of Travel and Publicity.



# Organization of Government in Ontario

## DEPARTMENT OF EDUCATION EXHIBIT 1

### REVENUE

	<i>Budget</i> <i>1957-58</i>	<i>Actual</i> <i>1957-58</i>	<i>Budget</i> <i>1958-59</i>
Government of Canada	\$ 907,500.00	\$ 302,327.28	\$ 995,500.00
Technical Institutes	785,000.00	885,937.33	835,700.00
Teacher education	21,500.00	30,127.05	23,500.00
Departmental examinations	8,400.00	7,820.13	7,900.00
Ontario School for the Blind	66,200.00	65,112.77*	68,400.00
Ontario School for the Deaf	40,400.00	40,849.67	48,000.00
Summer courses	43,000.00	38,404.00	43,000.00
Miscellaneous	23,000.00	24,588.30	24,000.00
	<u>\$1,895,000.00</u>	<u>\$1,395,166.53</u>	<u>\$2,046,000.00</u>

\*Includes fees paid by other governments for tuition of children who are their responsibility, in the amount of \$49,755.25.

## DEPARTMENT OF EDUCATION EXHIBIT 2

### EXPENDITURES

	<i>Budget</i> <i>1957-58</i>	<i>Actual</i> <i>1957-58</i>	<i>Budget</i> <i>1958-59</i>
ORDINARY EXPENDITURE			
Main Office and general Departmental expenses	\$ 452,000	\$ 426,402.29	481,000
Elementary Education Branch	2,375,000	2,440,621.53	2,694,800
Secondary Education Branch	2,851,000	2,674,247.51	3,217,600
Teacher Education Branch	1,923,000	1,939,822.02	2,269,600
Professional Development Branch			64,000
Special Educational Services Branch	1,239,600	1,150,196.53	1,567,900
Registrar's Branch	893,500	892,419.15	1,115,500
Curriculum & Textbooks Branch	49,500	44,003.17	55,600
Other educational services	580,100	552,055.69	632,900
Dominion-Provincial agreements	30,000	46,956.15	60,000
Scholarships, bursaries, etc.	521,000	520,294.20	523,000
Legislative grants, etc.	101,395,000	100,356,525.02	133,277,000
Miscellaneous grants	243,300	243,150.00	259,100
Grants to universities	17,989,000	20,330,000.00	21,087,000
Teachers' Superannuation	9,364,000	10,512,467.58	10,454,000
	<u>\$139,906,000</u>	<u>\$142,129,160.84</u>	<u>\$177,759,000</u>
CAPITAL DISBURSEMENTS			
Student Aid Loan	—	—	\$ 3,000,000

## 5. Department of Health

THE DEPARTMENT OF HEALTH is responsible for ensuring that all possible steps are taken to prevent and control disease in the Province, for providing consultant and diagnostic services to local health authorities and other members of the medical profession on all aspects of public health, and for operating seventeen mental hospitals throughout the Province.

The general plan of organization under which the Department discharges its responsibilities is shown in the form of a chart overleaf. The chart sets out the various operational units of the Department and indicates the approximate number of employees associated with each unit.

As of August 1st, 1958, the staff employed by the Department on a full-time basis numbered a little over 9,300 people. Because of the nature of the Department's services, staff requirements change little on a seasonal basis and the only casual staff used by the Department are certain types of medical specialists who are engaged on a consulting basis.

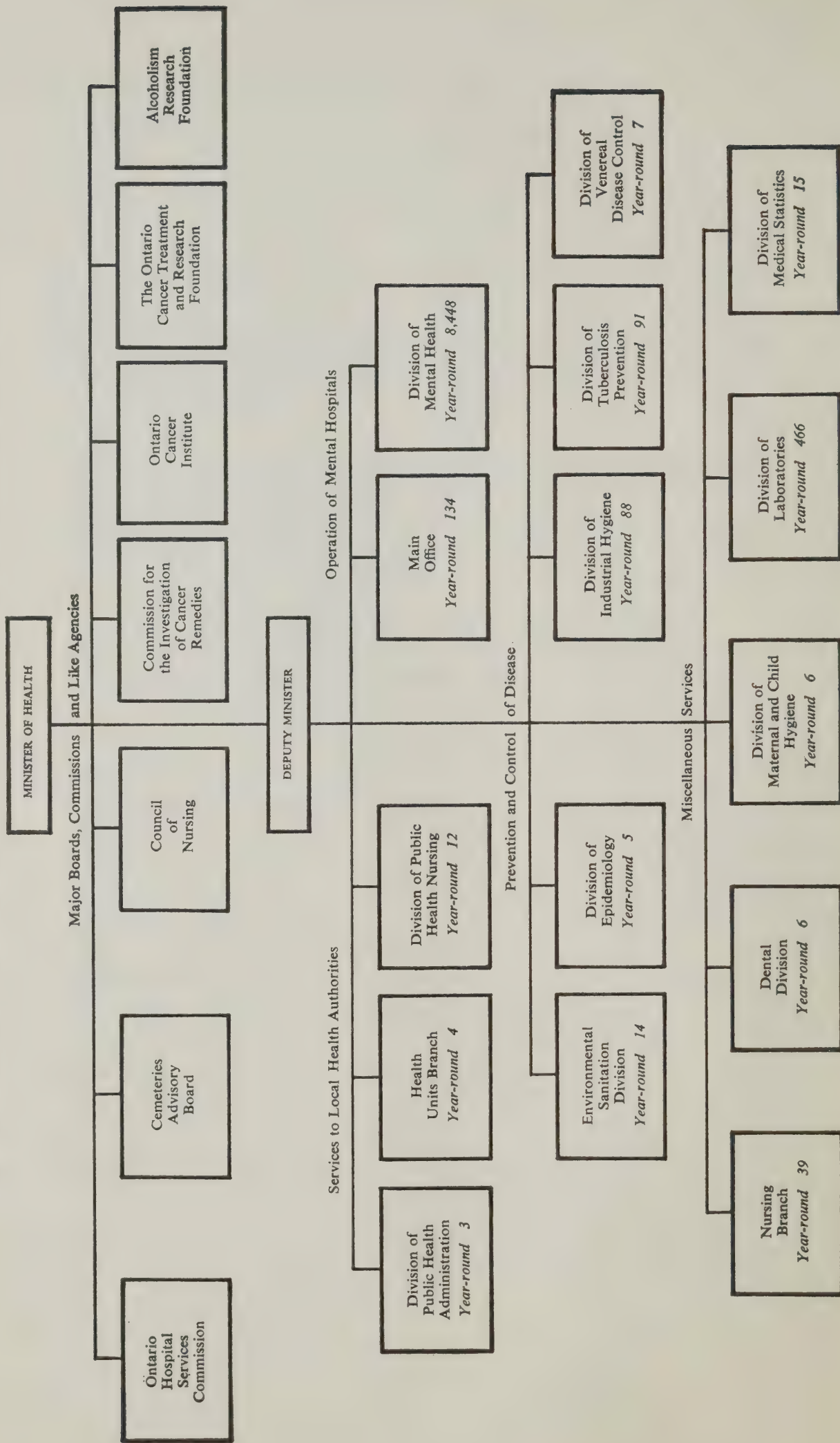
During the 1957-58 fiscal year, the revenue received by the Department totalled slightly over \$4,600,000. The main source of that revenue was the collection of charges for the maintenance of patients in mental hospitals. During the same period, ordinary expenditures amounted to almost \$66,000,000. Costs incurred in the operation of mental hospitals accounted for nearly half of that sum and funds supplied to the Ontario Hospital Services Commission for about one third of it. A further breakdown of revenue by source and expenditure, by branch, is set out in Exhibits 1 and 2 respectively which follow this memorandum.

The work carried out by the Department can be classified roughly into one or other of the following four main areas of activity:

- Prevention and control of disease.
- Services to local health authorities.

# PROVINCE OF ONTARIO

*Plan of organization of the Department of Health and related boards, commissions and like agencies*



NOTE: Figures appearing on this chart indicate approximate size of staffs employed in the different branch units of the Department. Separate figures are used to show



Operation of mental hospitals.

Miscellaneous services.

Under these four main headings, we describe the work of the organizational units that make up the Department, along with the legislation from which they derive their responsibilities and powers.

## **Prevention and Control of Disease**

Although all units of the Department are concerned in broad terms with this phase of the Department's work, five specialized divisions are most directly responsible for developing safeguards and standards designed to reduce the incidence of disease and, in cases where a communicable disease is encountered, to keep it from spreading. The five are identified by the following Division titles: Environmental Sanitation, Epidemiology, Industrial Hygiene, Tuberculosis Prevention and Venereal Disease Control. Their activities are described subsequently.

The principal piece of legislation relating to the work of the Department in general, and these five Divisions in particular, is *The Public Health Act*, which is described briefly below.

*The Public Health Act*: Included in the terms of the Act are provisions that call for the establishment of local boards of health and the appointment of medical officers of health and that assign the responsibility for enforcement of regulations made under the Act to those local bodies. In territories where there are no municipal organizations, the Department of Health is directly responsible for the administration of public health measures.

The Act also provides specifically for the inspection of dairies, cheese factories and the pasteurization of milk as well as the inspection of animals, meat and other food products.

The more important regulations made under *The Public Health Act*, and applying to the work of the various Divisions of the Department, are described in conjunction with the work of these Divisions. These regulations are expressed in precise terms. Thus the Divisions' main function is one of ensuring, through local health authorities, that required standards are being met and that prompt corrective action is taken where this is not the case.

The work of the Divisions having to do with the prevention and control of disease are described in the following paragraphs.

## *Organization of Government in Ontario*

*Environmental Sanitation Division:* The main responsibility of this Division is to develop, expand and generally direct the adoption of measures designed to reduce the incidence of diseases which can be carried by milk, food, water, sewage, insects and rodents. In carrying out its activities, the Division works very closely with local medical officers of health to ensure enforcement of the provisions of *The Public Health Act* and related regulations, the more important of which deal with the following matters:

- minimum standards for the equipment and operation of restaurants and other premises where food is served to the public.
- sanitary standards for the public cold storage of food.
- sanitary standards for milk pasteurization plants.
- areas where the sale of unpasteurized milk is prohibited.
- sanitary standards for the maintenance and operation of public swimming pools.
- standards of maintenance and operation for various types of summer camps.

The Division also administers *The Cemeteries Act* which regulates the establishment and operation of cemeteries in the Province. It administers and provides many of the instructors for an Environmental Sanitation Training Centre where sanitary inspectors are trained both for its own use and for the use of municipal bodies. It prepares and supplies literature dealing with the sanitation of food, milk and water supplies and with the disposal of waste for the use of vacationers or those home owners not connected to municipal services.

*Division of Epidemiology:* Like the Environmental Sanitation Division, this Division works very closely with local medical officers of health. It administers those regulations of *The Public Health Act* that establish measures for the control of communicable diseases, including those dealing with the determination of prescribed periods of quarantine and precautions to be taken against the spread of the disease. It analyzes morbidity and mortality statistics supplied by local officials to determine the prevalence and extent of communicable disease in Ontario.

The Division offers a consultant service as well as free biological products to medical officers of health and other physicians to assist in the prevention and treatment of communicable diseases.

*Division of Industrial Hygiene:* This Division is primarily concerned

with maintaining the health of the industrial population of the Province through the identification and control of specific occupational hazards and by encouraging the establishment of adequate health services within industrial plants.

The nature of the Division's work is indicated by the provisions of the legislation under which it operates. It administers two regulations under *The Public Health Act* that deal with:

- the retail sale of bedding and upholstered furniture, to control the quality of the material used in their manufacture from a sanitary point of view and to ensure that they are properly labelled.
- sanitation, housing and medical care for workmen employed in industrial camps in territorial districts not served by municipal health organizations.

Two other Acts are administered by this Division. *The Pesticides Act*, designed to control the hazards arising out of the use of certain substances for the destruction of insect pests of various types; and *The Silicosis Act*, designed to control the hazards involved in working in foundries and other industries where employees are exposed to silica dust.

*Division of Tuberculosis Prevention:* The primary responsibilities of this Division are to develop and promote the use of measures to prevent the spreading of tuberculosis by detecting the disease at as early a stage as possible and, when active cases are discovered, to ensure that steps are taken to supply adequate treatment.

In the field of prevention of the spread of the disease, the Division supplies general direction and assistance to the activities of some 250 diagnostic chest clinics that are being operated throughout the Province by both the Department and local voluntary tuberculosis associations, along with mass x-rays of presumably well persons and an extensive hospital admission chest x-ray program.

In the field of treatment, the Division is responsible for the administration of *The Sanatoria for Consumptives Act* which provides for the establishment and operation of sanatoria for treatment of persons suffering from tuberculosis, as well as certain measures to control the spread of this infection. Although the Department does not operate the 15 sanatoria presently providing treatment for consumptives in Ontario, it contributes substantially to the cost of maintaining patients as well as the cost of new facilities. At the same time it exercises general supervision over the treatment given in these institutions, to ensure that it is adequate, and provides advice on post-sanatorium care for patients discharged from sanatoria.



## *Organization of Government in Ontario*

*Division of Venereal Disease Control:* This Division is concerned with controlling the spread of infectious venereal diseases and ensuring that proper treatment is given to existing cases. Consultative clinical and laboratory services are provided to physicians in the Province as are certain types of therapeutic agents.

An important phase of the Division's program for the control of venereal disease is the education of both medical and lay personnel through the medium of lectures by Departmental staff and educational material, such as films, posters, literature, etc. The legislation that provides the means of controlling venereal disease is *The Venereal Diseases Prevention Act* which includes provisions for mandatory treatment as well as grants for such treatment.

### **Services Provided to Local Health Authorities**

Almost all of the Divisions and Branches of the Department of Health work through local boards of health and medical officers of health in offering consultant and diagnostic services to these authorities for the benefit of the population of their respective communities. However, the primary responsibility for providing general advice and assistance to local authorities is assigned to three units of the Department. The work handled by these units is outlined below.

*Division of Public Health Administration:* This Division acts as the principal link between the Department of Health and the municipal health authorities. In an advisory capacity it assists these authorities to plan their individual administrative programs and to discharge their responsibilities under *The Public Health Act*, particularly where direct action by the Department is concerned. The Division is responsible for distributing educational material on public health matters and maintaining a comprehensive Departmental library.

*Health Units Branch:* A health unit is a joint agency formed by a group of urban and rural municipalities for the purpose of providing a more efficient community health program in the area. Each unit functions under the local authority of a board of health which appoints the unit's personnel consisting of doctors, nurses, sanitary inspectors and clerical staff. The services provided to the public by these units parallel those offered by the Department of Health in larger municipalities.

The Health Units Branch assists interested groups or municipal councils in the formation of a unit and is available in a consultative capac-

## *Department of Health*

ity on operational problems. The Branch also arranges for Provincial grants to provide financial assistance to the units and bursaries for training personnel to staff them.

*Division of Public Health Nursing:* The main function of this Division is that of assisting local boards of health in the organization and development of public health nursing services of a type and scope called for by the particular needs of an area. In doing so, the staff of the Division:

- supply local medical officers of health and supervisors with general guidance and advice on public health nursing matters through regular inspection of existing services.
- assist the local boards of health in finding qualified public health nurses and, through the granting of bursaries, encourage registered nurses to pursue a course in public health nursing.
- arrange programs that will provide public health nursing students with practical field experience.
- study and attempt to improve educational methods and the skills and knowledge of public health nurses.

### **Operation of Mental Hospitals**

*Division of Mental Health:* This Division is the Department's largest organizational unit. It is responsible for establishing and operating facilities for the treatment of the mentally ill, mentally defective and epileptics in the Province. At present, about 22,000 patients are being cared for and treated in 17 mental hospitals operated by the Division. In addition the Division currently supervises some 850 convalescent patients being cared for in private boarding homes and is carrying out periodic inspections of private institutions that supply treatment services. The Division also operates mental health clinics throughout the Province for individuals requiring this type of service.

The Division is responsible for planning the programs of treatment required to meet the needs of mental illness within the Province and the facilities needed to supply treatment. In this connection it is faced currently with a major problem. Present demands for care and treatment of the mentally ill exceed the capacity of the existing hospitals and other facilities to supply treatment. In addition, anticipated growth of population in the Province is expected to create large new demands in the future.

To establish a basis for dealing with this problem the Division is currently developing plans for the:

## *Organization of Government in Ontario*

- addition of new hospital facilities.
- acquisition of needed professional staff.
- improvement of standards of care in hospitals.
- development of broader rehabilitation and after-care programs.
- improvement of community mental health clinics.

The legislation under which the Division of Mental Health carries out its program can be summarized briefly as follows:

*The Mental Health Act:* provides for the establishment of municipal mental health programs.

*The Mental Hospitals Act:* provides for the establishment and operation of institutions for mentally ill and mentally defective persons.

*The Private Sanatoria Act:* provides for the establishment and operation of private institutions for the care of mentally ill and mentally defective persons.

*The Psychiatric Hospitals Act:* provides for the establishment and operation of municipal institutions for the diagnosis and care of persons suffering from psychiatric disorders. There has been only one institution established under this Act, The Toronto Psychiatric Hospital, and it is operated by the Province at present.

### **Miscellaneous Services**

There are a number of other Branches and Divisions of the Department that do not fall into any of the first three categories of service, but that play an important part in the overall service supplied to the public and to the medical and allied professions. These are outlined below.

*Nursing Branch:* This Branch encourages and regulates the education and training of the three categories of nurses that provide services to the general public. These three categories are registered nurses, certified nursing assistants and practical nurses.

Provision is made under *The Nursing Act* for the Branch to regulate schools of nursing for registered nurses, training centres for certified nursing assistants and courses of training sold by schools of practical nursing. The staff of the Branch regularly visits all established schools and training centres to ensure that they are being operated in accordance with regulations and to act as consultants on all aspects of the training program.

In addition to regulating the courses of training provided by schools of practical nursing the Branch now licences and regulates the conduct of nurses' registries.



## *Department of Health*

*Dental Division:* This Division performs three main functions. It gives general direction and assistance to the carrying out of dental inspection programs in schools. For that purpose it administers the granting of funds to local boards of health for the establishment of such services. The Division supplies dental services in all mental hospitals operated by the Department by maintaining a dental clinic in each hospital. In addition, it supplies dental services in remote areas of the Province and for that purpose is currently operating two railway dental cars to serve certain Northern Ontario areas.

The Division encourages research into the problems of public dental health education as well as the prevention and control of dental diseases and the Department is presently granting financial assistance to several studies being conducted in these areas.

*Division of Maternal and Child Hygiene:* This Division is concerned primarily with the health of expectant mothers, infants, pre-school and school-age children. To this end it is conducting continuous studies into the causes of maternal and infant morbidity and mortality with a view to reducing their incidence and to improving hospital, medical and community care for the mother and child.

Literature designed to supply mothers with information on the care of children is published and an advisory service is maintained for the benefit of public general hospitals on matters related to nursing techniques in obstetrical units and nurseries.

The only Act with which this Division is concerned, other than certain regulations under *The Public Health Act*, is *The Maternity Boarding House Act*, which provides for the municipal registration of boarding houses for infants and expectant mothers.

*Division of Laboratories:* This Division operates 19 laboratories throughout the Province plus a mobile laboratory to provide facilities for the examination of clinical and public health material submitted by medical officers of health, private practitioners and hospitals. The laboratories also act as depots for the distribution of biological products such as anti-toxins, vaccines, etc., used in the control and treatment of certain infectious diseases. These products are distributed free of charge to the public through the members of the medical profession and the local public health departments.

*Division of Medical Statistics:* This Division is responsible for the collection, tabulation and analysis of medical statistics in a variety of fields, including:

## *Organization of Government in Ontario*

- incidence of cancer, mortality rates and results of treatment.
- incidence and prevalence of mental illness in Ontario mental hospitals and community mental health services.
- effectiveness of local dental health programs and research in preventive dentistry.
- industrial morbidity, maternal and infant mortality and areas of special interest.

The Division also acts in an advisory capacity to other divisions of the Department, other departments of the Provincial Government, local health authorities, boards, commissions, etc., as well as any other bodies or individuals interested in the compilation, analysis and interpretation of medical statistical data.

### **Boards, Commissions and Like Agencies**

Several boards, commissions and like agencies report to the Minister of Health. These are described below under the classification of non-subsidiary and advisory, as defined in the introduction to this review.

### **Non-Subsidiary Agencies**

*Ontario Hospital Services Commission:* This Commission is established under *The Hospital Services Commission Act*. Six Commissioners are appointed by the Lieutenant-Governor in Council on the recommendation of the Minister of Health. The Commission has two primary functions.

Its first function is to develop and then administer a plan of government hospital insurance which will make available to all residents of Ontario, insurance covering the costs of standard hospital ward care.

The second main responsibility of the Commission is to administer the payment of financial grants to public hospitals, including grants of assistance for the maintenance of the operations of the institutions, capital grants related to construction of hospitals and various other grants previously made available through the Public and Private Hospitals Division of the Department of Health.

*Ontario Cancer Institute:* The Institute has been appointed by the Lieutenant-Governor in Council on the recommendation of the Minister of Health under *The Cancer Act, 1957*, and is primarily concerned with directing the operation of the Princess Margaret Hospital for diagnosis and

## Department of Health

treatment of cancer, outpatient clinics, and a broad research program. The Ontario Cancer Institute comprises twelve persons appointed by the Lieutenant-Governor in Council including five persons representing the Ontario Cancer Foundation as well as representatives of the University of Toronto and the General Hospitals located in Toronto.

*The Ontario Cancer Treatment and Research Foundation:* The Foundation is composed of persons appointed by the Lieutenant-Governor in Council on the recommendation of the Minister of Health under *The Cancer Act, 1957*, and is concerned with the establishment and maintenance of treatment centres for cancer as well as research in cancer. The Foundation comprises not fewer than seven persons. The qualifications of the members are not prescribed.

*Alcoholism Research Foundation:* The Foundation, appointed by the Lieutenant-Governor in Council on the recommendation of the Minister of Health, administers *The Alcoholism Research Foundation Act* and concerns itself with problems related to alcoholism. The Act provides that the Foundation shall comprise not less than seven and not more than ten members. The Act does not prescribe the qualifications of the members.

*State Register Boards:* The Boards included in this classification are those that have been established under various State Register Acts. These Acts provide for the qualification and discipline of persons in the community who practice certain professions such as those listed below. They also provide for the election or appointment of governing boards. These Boards are given the power to administer and enforce the provisions and regulations of their respective Acts. However, any new regulations or revisions to existing regulations are subject to the approval of the Minister of Health.

In the case of the following Boards, the members are appointed by the Lieutenant-Governor in Council on the recommendation of the Minister of Health under the Act named with each Board. In each case the Board members are appointed from the group concerned after consultation with the group as a whole or its authorized representatives.

Board of Regents—*The Chiropody Act*

Governing Board of Dental Technicians—*The Dental Technicians Act*

Board of Directors of Chiropractic—*The Drugless Practitioners Act*

Board of Directors of Drugless Therapy—*The Drugless Practitioners Act*

Board of Directors of Masseurs—*The Drugless Practitioners Act*



## *Organization of Government in Ontario*

Board of Directors of Osteopathy—*The Drugless Practitioners Act*

Board of Directors of Physiotherapy—*The Drugless Practitioners Act*

Board of Examiners—*The Embalmers and Funeral Directors Act*

Board of Examiners in Optometry—*The Optometry Act*

In addition, there are a number of Governing Boards established under certain State Register Acts where the members of the Boards are elected by persons registered under the respective Acts. These would include:

*The Dentistry Act*

*The Medical Act*

*The Nurses Registration Act*

*The Pharmacy Act*

### **Advisory Agencies**

*Cemeteries Advisory Board:* This Board consists of three members who are appointed by the Lieutenant-Governor in Council on the recommendation of the Minister of Health and advises the Minister on problems relating to cemeteries.

*Commission for the Investigation of Cancer Remedies:* This Commission is appointed by the Lieutenant-Governor in Council on the recommendation of the Minister of Health under *The Cancer Remedies Act*. It acts in an advisory capacity to the Minister with respect to any cancer remedy being promoted and requiring investigation.

*Council of Nursing:* This Council is appointed under *The Nursing Act, 1951*, for the purpose of advising the Minister on problems relating to nursing.

The Council of Nursing comprises ten persons appointed by the Lieutenant-Governor in Council upon the recommendation of the Minister of Health representing various organizations in the field of medicine and nursing.

### **Relationships with Other Departments and Agencies**

In discharging its responsibility for safeguarding the health of the Province's population, the Department of Health works closely with many of the other Provincial Departments. A few typical areas of collaboration

## *Department of Health*

that will serve to illustrate the nature of the co-operative effort required are outlined below, along with the Provincial Department concerned.

DEPARTMENT OF AGRICULTURE—control over safety and quality of food products, particularly milk and meat and collaboration on problems of nutrition.

DEPARTMENT OF THE ATTORNEY GENERAL—co-operation with Ontario Provincial Police in the enforcement of public health measures in unorganized territory and provision of specialist psychiatric assistance in criminal court actions involving a question of mental health.

DEPARTMENT OF EDUCATION—co-operation on health matters concerning school children.

DEPARTMENT OF LABOUR—improvement of health services in industry and the control of occupational or industrial health hazards.

DEPARTMENT OF LANDS AND FORESTS—control of diseases in fish and wild life that are transmissible to human beings.

### **Addendum, August, 1959**

As of April 1st, 1959 the Alcoholism Research Foundation reports to the Provincial Secretary rather than the Minister of Health.

# *Organization of Government in Ontario*

## DEPARTMENT OF HEALTH EXHIBIT 1

### REVENUE

	<i>Budget</i> <i>1957-58</i>	<i>Actual</i> <i>1957-58</i>	<i>Budget</i> <i>1958-59</i>
MAIN OFFICE			
Sale of Radon Seeds	\$ 2,500	\$ 2,046.60	\$ 2,500
Government of Canada re indigent immigrants	40,000	41,952.34	40,000
Department of Planning and Development re Hungarians		53,555.05	
Miscellaneous	7,800	8,761.83	8,000
NURSING BRANCH			
Sundry	3,500	3,647.91	3,500
DIVISION OF EPIDEMIOLOGY			
Insulin	20,000	18,932.04	20,000
DIVISION OF INDUSTRIAL HYGIENE			
X-Rays	20,000	17,415.00	20,000
DIVISION OF TUBERCULOSIS PREVENTION			
Patients' maintenance	105,000	109,254.55	105,000
ENVIRONMENTAL SANITATION DIVISION			
Sundry	2,500	2,066.10	2,500
LABORATORY			
Analytical chemistry	35,300	52,444.80	40,000
Pathology	90,000	88,289.00	90,000
Grants	1,200		4,200
MENTAL HEALTH			
Patients' maintenance	3,600,000	3,747,966.54	3,600,000
Perquisites	325,000	349,374.80	325,000
Other	21,700	28,117.14	21,800
Sundry revenue from Ontario Mental Hospitals	79,400	113,187.86	91,700
<i>Total for Department Proper</i>	<i>\$4,353,900</i>	<i>\$4,637,011.56</i>	<i>\$4,374,200</i>
ONTARIO HOSPITAL SERVICES COMMISSION		756.25	
<i>Grand Total</i>	<i>\$4,353,900</i>	<i>\$4,637,767.81</i>	<i>\$4,374,200</i>



## *Department of Health*

### DEPARTMENT OF HEALTH EXHIBIT 2

#### EXPENDITURES

	<i>Budget</i> <i>1957-58</i>	<i>Actual</i> <i>1957-58</i>	<i>Budget</i> <i>1958-59</i>
Main Office	\$ 3,071,400	\$ 2,569,965.67	\$ 3,220,500
Health Units Branch	828,200	869,511.06	935,300
Division of Public Health Nursing	62,000	57,579.11	72,500
Division of Maternal and Child Hygiene	430,000	341,301.72	279,100
Dental Division	65,500	56,913.55	65,300
Nursing Branch	190,200	188,625.76	242,200
Division of Epidemiology	660,000	650,380.99	891,200
Division of Venereal Disease Control	47,000	37,433.31	48,100
Division of Tuberculosis Prevention	6,684,500	6,401,505.97	6,982,700
Division of Industrial Hygiene	411,000	406,497.04	581,000
Environmental Sanitation Division	133,000	83,521.62	179,000
Division of Laboratories	1,686,500	1,710,252.31	1,933,500
Division of Mental Health	30,417,700	30,320,367.37	35,287,600
Special Grant	720,000	720,000.00	
<i>Total For Department Proper</i>	\$45,407,000	\$44,413,855.48	\$50,718,000
Ontario Hospital Services Commission	24,135,000	21,551,229.88	22,780,000
<i>Grand Total</i>	\$69,542,000	\$65,965,085.36	\$73,498,000

# 6. Department of Highways

THE DEPARTMENT OF HIGHWAYS is responsible for planning, constructing and maintaining a system of highways and secondary roads throughout the Province commensurate with its needs and financial resources. It is also responsible for assisting municipalities in their programs of road construction and maintenance by supplying them with technical advice and assistance and by arranging for subsidization of approved projects that are undertaken by the municipalities.

During the fiscal year 1957-58, the total actual outlay associated with all phases of the Department's activities was approximately \$228,000-000. The main elements of expense making up that sum were as follows:

Property Acquisition . . . . .	\$ 16,643,000
Highway and Road Construction by the Department . . . . .	108,363,000
Assistance to Municipalities for Road Construction	36,079,000
Departmental Costs of Highway and Road Maintenance. . . . .	38,961,000
Assistance to Municipalities for Road Maintenance	22,862,000
Other Capital Outlays . . . . .	2,381,000
Departmental Operating Expense . . . . .	2,603,000
Total Outlay . . . . .	<u>\$227,892,000</u>

In terms of costs to the Province, this sum was reduced by an amount of some \$15,000,000 in the form of refunds obtained from the Federal Government and the Ontario Hydro-Electric Power Commission under agreements relating to work done in connection with construction of the Trans-Canada Highway and the St. Lawrence Seaway. Thus the total expenditure for the period made out of Provincial funds was some \$213,000,000. Of that amount approximately \$148,500,000 was treated as

## *Department of Highways*

expenditure made on capital account and approximately \$64,500,000 was classed as expenditure on ordinary account.

Receipts accruing from the Department's activities in the same year were relatively insignificant. They totalled approximately \$1,300,000 and the major sources of this sum were receipts from sales of lands and buildings in the amount of about \$750,000 and property rentals which produced revenue of some \$200,000.

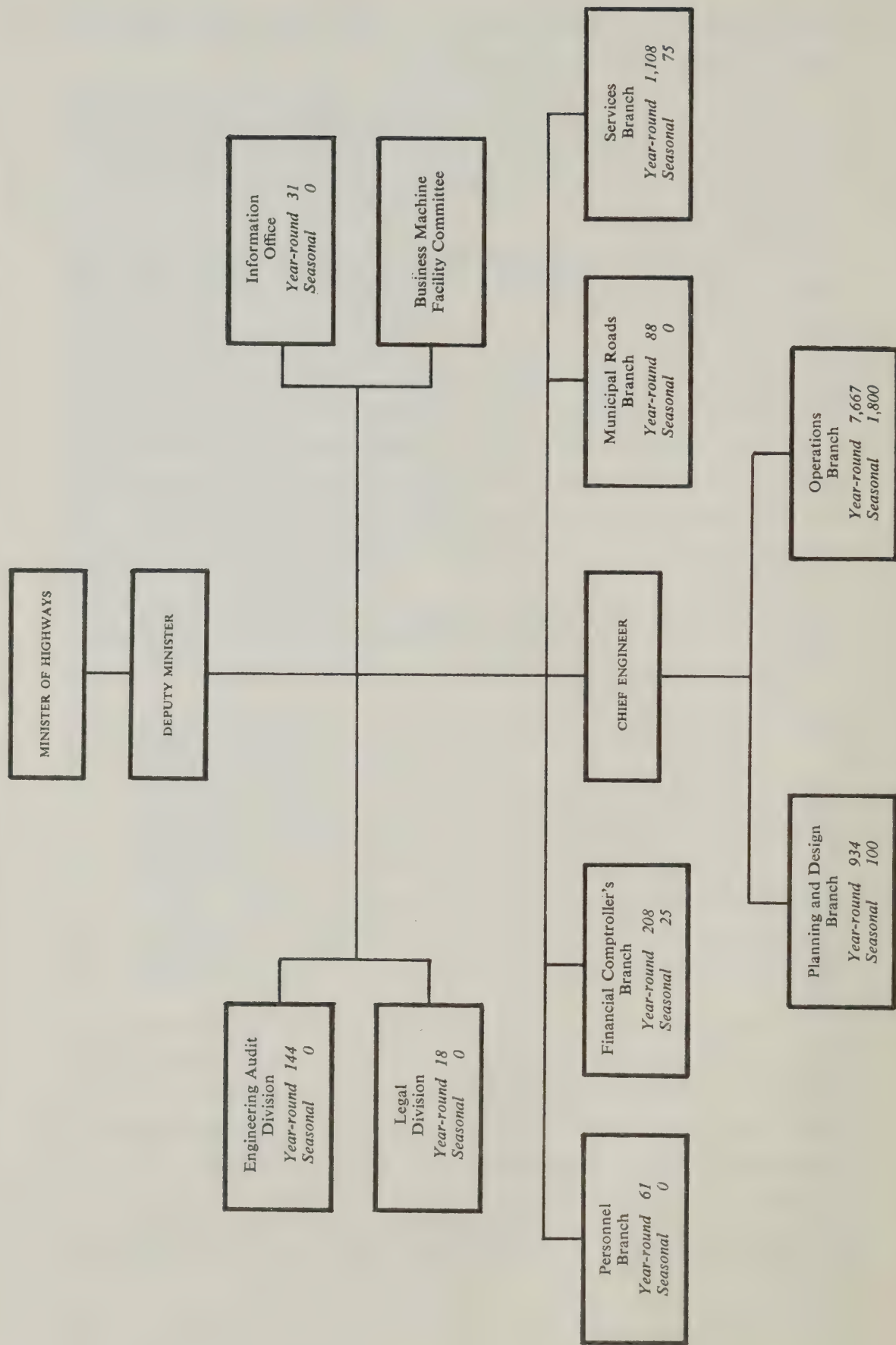
Exhibits 1 and 2 following this memorandum summarize the expenditure and revenue figures as set out in the departmental estimates for the years 1957-58 and 1958-59 and in the Department's accounting records for the year 1957-58. Examination of the exhibit showing ordinary expenditure figures will disclose that an amount of \$57,500,000 appears as a charge to the Department for the year 1957-58 for payments into a Highway Construction Account. This charge was made in accordance with Government policy to set aside from funds allocated for ordinary expenditures of that year a sum to be used subsequently for construction programs that normally would be treated as capital expenditure projects and financed through borrowing.

As of September, 1958, the number of personnel employed by the Department totalled approximately 12,000 employees. Of these, about 2,000 could be classed as seasonal workers. The remaining 10,000 were engaged on a year-round basis.

This large staff is distributed among a number of headquarters units of the Department that are located at Toronto and a total of 19 District Offices that are located strategically throughout the Province. The general plan of organization through which the activities of both headquarters and district staffs are directed is shown in the chart overleaf. The chart sets out the various units of the organization that are headed by officials reporting directly to the Deputy Minister. It indicates for each unit the approximate number employed on both a year-round and seasonal basis.

The four units appearing on the chart immediately beneath the Deputy Minister might be termed Deputy Minister's staff units. The remaining six units are the main branches among which the work of the Department is divided. Two of these six Branches, the Planning and Design Branch and the Operations Branch come under the direction of a chief engineer who is the Department's final authority on engineering matters. These two, along with the Municipal Roads Branch, make up what can be called the operating organization of the Department. The other three





NOTE: Figures appearing on this chart indicate approximate size of staffs employed in the different branch units of the Department. Separate figures are used to show

## *Department of Highways*

Branches are responsible for service functions related to the Department's operations.

We describe the responsibilities of the Department and indicate its general method of operation under the following series of headings:

Operating Units

Service Units

Deputy-Minister Staff Units

Legislation Relating to the Department's Activities

Relationships With Other Departments and Agencies

### **Operating Units**

As was indicated above, three Branches of the Department constitute the "operating" organization of the Department responsible for its actual road design, construction and maintenance activities. These are the Planning and Design Branch, the Operations Branch and the Municipal Roads Branch. Their individual functions are outlined below.

*Planning and Design Branch:* This Branch includes two divisional units, a Planning Division and a Design Division. The Planning Division is responsible for preparing and keeping up-to-date a long term plan for the development of the highway system in Ontario, based on studies of population growth, industrial development, motor vehicle usage, etc. After a tentative long range plan has been approved, the staff of the Division recommend the approximate location of new highways and the actual construction program to be followed over the next few years. These recommendations are based on anticipated availability of funds and the Division's conclusions with respect to the priority to be given to new projects.

The Design Division is responsible for the development of design for all the highways, bridges and other structures required to meet the Department's program of new road construction or changes to existing roads. In dealing with its work it employs both departmental staff and the services of consulting engineers. Where outside consultants are employed to develop the detailed plans, the Division acts as the Department's link with the consultants. Staff of the Division also carry out much of the pre-engineering field work required for use of both departmental design staff and consultants employed by the Department.

*Operations Branch:* The function of this Branch is to handle all activities connected with the maintenance of the Department's existing

## *Organization of Government in Ontario*

highway and road system and the carrying out of the new highway and road construction programs adopted by the Department. It does so through a Branch organizational arrangement which includes two headquarters divisions and a large field staff distributed among the Department's 19 geographic districts. The arrangements used to deal with the work of the Branch through these different units of its organization are outlined below.

**CONSTRUCTION DIVISION:** Within this Division, the Branch maintains staff that is responsible for the following functions:

- (a) the preparation and assembly of all information required for the calling of tenders for construction projects. This includes the investigation and testing of soil conditions and sources of construction materials, obtaining of field data and measurements and related work required for the preparation of detailed contract specifications.
- (b) the calling of tenders.
- (c) the processing of all progress and final certificates.
- (d) providing technical advice and assistance to field staff as required.

**MAINTENANCE DIVISION:** This division is responsible for generally guiding the development of appropriate maintenance programs within each of the Department's field districts and co-ordinating procedures for determining the maintenance staff and equipment needs of each district. District Engineers are supplied also with technical advice and assistance in connection with specialized areas of maintenance work such as bridge inspection, highway lighting and safety devices, landscaping, etc.

**DISTRICT ORGANIZATION:** A District Engineer is located at each of the Department's 19 District Offices and is responsible for directing all field activities within his district. Within each district, staffs are maintained to supervise all new construction work being carried out by contractors and to perform maintenance work. The District Engineer is responsible for developing maintenance work programs that are appropriate to the needs of his district.

Ten of the nineteen District Engineers are supervised directly by the Manager of the Operations Branch. In dealing with the remaining nine districts he is assisted by two Region Supervisors. One of these supervises 4 Northwestern districts while the other directs 5 districts in the Northern area of the Province.



## *Department of Highways*

Under *The Highway Improvement Act*, the Department of Highways is authorized to subsidize counties, townships and other municipalities to the extent of specified percentages of expenditures that they incur on programs that have been approved by the Minister. Subsidies are provided against the costs of construction, improvement and maintenance of designated classes of roads or streets within the boundaries of the municipalities. Expenditures subsidized include costs of constructing and maintaining bridges and culverts forming part of the roads, as well as the roads themselves. In general, the contribution to road work is 50% of expenditures while the contribution to bridge and culvert work may be up to 80% of costs.

*Municipal Roads Branch:* It is the responsibility of this operating branch of the Department to guide local municipalities and supply their personnel with whatever technical advice and assistance they need in planning and carrying out these programs. A Municipal Engineer of the Branch, working out of each District Office, acts as the Department's representative in such matters. Control is maintained over the cost and quality of the work subsidized by the Department through an audit of the actual expenditures of a municipality and through inspection of the work by the Municipal Engineers before any subsidy is paid.

The Minister of Highways has authority, under *The Highway Improvement Act*, to designate as a "development road" any road or proposed road which he may deem expedient to construct, improve or maintain in order to promote or maintain settlement or development in any part of Ontario. Where a road is so designated, the Municipal Engineer of the district concerned is responsible for supervising its construction, improvement and maintenance.

### **Service Units**

The normal administrative services required to support the activities of the operating groups have been assigned to three main branch units of the organization. Two of the Branches, a Financial Comptroller's Branch and a Personnel Branch, handle the functions normally associated with organization units bearing these titles. The third unit, which is identified as a Services Branch, deals with a variety of matters associated with the Department's affairs. These include the following services:

- carrying out land surveys and preparing the plans, descriptions and

## *Organization of Government in Ontario*

other documents needed for the acquisition and disposal of land or the assumption, reversion, designation and closing of roads.

- arranging for the purchase, sale and rental of properties for the Department as required.
- arranging for the supply of construction and maintenance materials purchased centrally and ensuring that adequate control is maintained over materials purchased and stored in the Districts.
- providing a variety of office services to the Department, including the procuring and distributing of office equipment and supplies, the operation of a mail room and central files, arranging for any duplicating or printing required, etc.
- establishing and reviewing departmental practices in respect to the purchase and maintenance of vehicles and equipment used by the Department.
- issuing permits under the authority of a section of *The Highway Improvement Act* which states that no person may build, alter, construct or otherwise deal with any building or place any signs, trees, shrubs, hedges, etc. within 150 feet of the limit of a King's Highway without a permit therefor from the Minister of Highways.

### **Deputy Minister's Staff Units**

Four staff groups report directly to the Deputy Minister. Their activities are outlined in the following paragraphs:

*Engineering Audit Division:* The staff of this Division administer a comprehensive system of checks on the work performed for the Department by outside contractors. This involves verification as to the accuracy of calculations, measurements and records from the pre-engineering stage to the final contract payment. It involves a check on pre-engineering calculations from field data obtained by the staff of the Division and constant inspection of all jobs in progress.

Staff of the unit are assigned to District Offices to make a continuing check on weighing procedures being used and on records maintained in the districts as well as to periodically test the accuracy of the scales. They train new personnel used in the districts for scale operation and recording work and ensure that only properly trained personnel are used in this work.

The Engineering Audit staff check the calculations and measure-

## *Department of Highways*

ments used to prepare progress certificates and make sure that any conditions set out in a contract have been fulfilled before progress payments are made to a contractor. Before the final payment is made under any contract a comprehensive examination is made of all aspects of the work concerned.

*Information Office:* All information given out to the public, including press releases, publications, the annual report of the Department, etc., is issued by this Office. The staff of this office also answer enquiries concerning proposed new roads, changes to existing roads or any other phase of the Department's program.

*Legal Division:* The staff of this Division provide a variety of legal services to the Department on such matters as property purchases, road closings, easements, claims, insurance, contract conditions, etc.

*Deputy Minister's Committee, Consolidated Business Machine Facility:* This Committee, composed of representatives of various branches of the Department, supervises the application of a medium sized electronic computer to certain aspects of the Department's operations.

These include a number of accounting applications such as the preparation of payroll records and cheques that were previously carried out on punched card equipment. They also include a number of applications that are relatively new, such as earthwork calculations, certain aspects of bridge design and soils investigation, analysis of traffic studies, etc.

## **Legislation**

The Department of Highways is responsible for the administration of four Acts, whose principal provisions are outlined below:

### *The Department of Highways Act*

This is the Act under which the Department of Highways was established and in which its general function and organization structure are defined.

### *The Highway Improvement Act*

While the Department is established under *The Department of Highways Act*, the majority of the responsibilities and powers of the Minister of Highways is set out in *The Highway Improvement Act*. This latter Act makes provision for a King's Highway System, a Controlled-Access Highway System and a Secondary Highway System. It also provides for the subsidies paid with respect to municipal road systems as noted previously in this section.



## *Organization of Government in Ontario*

Under this Act, the Minister has the right to expropriate or enter onto any lands for the purpose of constructing or maintaining a King's Highway. Provision is made for the payment of compensation to the aggrieved land owner but, if the amount of compensation can not be agreed upon, the matter may be referred to the Ontario Municipal Board subject to an appeal to the Court of Appeal.

No municipality may close, divert, or open a municipal road without obtaining the consent of the Lieutenant-Governor in Council, acting on the recommendation of the Minister of Highways.

No person may construct an entrance onto a King's Highway without first obtaining a permit from the Minister—in practice these permits are never refused. However, the Minister may close any municipal streets intersecting a controlled access highway, subject to the approval of the Ontario Municipal Board. Any persons who are affected by such a road closing have a right to compensation. If the amount cannot be agreed upon, the matter may be referred to the Ontario Municipal Board and from there to the Court of Appeal.

The Minister may make regulations under the Act, regulating the use of the King's Highway by any type of motor vehicle but such regulations are subject to the approval of the Lieutenant-Governor in Council after notice has been given to the municipality in which the highway is situated. The Minister also may make regulations concerning the use of a controlled access highway by motor vehicles but these regulations are not subject to the approval of the Lieutenant-Governor in Council nor do they have to be referred to the local municipality.

### *The Ferries Act*

This Act provides authority for the Department to issue a licence to operate a ferry service in the Province under an exclusive franchise. The authority is exercised by the Lieutenant-Governor in Council on the recommendation of a cabinet minister. However, there is very little activity under this statute as the only licence currently in existence is one to operate a ferry service between Tobermory and Manitoulin Island.

### *The Toll Bridges Act, 1958*

This Act provides for the operation, construction and maintenance of toll facilities in the Province. The application of the Act is limited to certain specifically named structures such as the Burlington Bay Skyway, certain international bridges and certain bridges to be constructed over the Welland Canal. The Act provides authority for the Lieutenant-

## *Department of Highways*

Governor in Council to designate these specified structures as toll bridges, to prescribe the tolls and to set up the necessary toll collection mechanism.

### **Relationships with Other Departments and Agencies**

The Department of Highways works in close collaboration with a number of other government departments, boards and commissions particularly where a question concerning the location or use of roads is involved. Some of the more important of these relationships are described below.

*Department of Planning and Development:* The Department of Highways reviews plans of proposed subdivisions referred to them by the Department of Planning and Development, to ensure that the road system is adequate and that proper consideration has been given to any entrances onto the King's Highway.

*Department of Mines:* The Department of Highways constructs and maintains access roads in mining territories as requested and paid for by the Department of Mines, subject to participation in some cases by private mining companies.

*Department of Lands and Forests:* The Department of Highways acquires the Crown land that it needs from the Department of Lands and Forests by the filing of a Crown land plan and, when such a plan is filed, the administration and control over the lands described in the plan become vested in the Minister of Highways. The interests of the Department of Highways are protected also by the Department of Lands and Forests in the granting of patents and other rights issued by that Department.

*Hydro-Electric Power Commission of Ontario:* Arrangements must be worked out with the Hydro-Electric Power Commission in respect to the location of their poles along a highway right-of-way and in respect to special situations such as the relocation of the highway system in the areas adjoining the St. Lawrence Seaway Power Project.

*Ontario Municipal Board:* As noted previously in this section, all cases where the Department of Highways is required to pay compensation under *The Highway Improvement Act* and the amount of compensation cannot be agreed upon, are referred to the Ontario Municipal Board. This is also true of cases where the Department of Highways wishes to close a municipal road which intersects a controlled access highway.

*Ontario Fuel Board:* Any company proposing to construct a gas or oil pipe line must obtain the approval of the Ontario Fuel Board before

## *Organization of Government in Ontario*

proceeding with such construction and, more specifically, before it may cross a public highway without the consent of the road authority. The Department of Highways is always given notice of any application for permission to construct a pipe line and, if interested, may appear and make its representations to the Board.

### DEPARTMENT OF HIGHWAYS EXHIBIT 1

#### REVENUE

	<i>Budget</i> <i>1957-58</i>	<i>Actual</i> <i>1957-58</i>	<i>Budget</i> <i>1958-59</i>
ORDINARY REVENUE			
Sale of services and materials	\$110,000	\$185,287	\$200,000
Permits—sign and house moving	40,000	45,245	40,000
Gas line franchises	7,000	7,710	7,000
Interest on sale of property	100	219	100
Property rentals	170,000	210,609	220,000
Gas pump revenue	46,000	37,224	46,000
Miscellaneous	26,900	48,628	42,900
<i>Total</i>	<u>\$400,000</u>	<u>\$534,922</u>	<u>\$556,000</u>
CAPITAL RECEIPTS			
Sale of lands and buildings	\$750,000	\$741,965	\$750,000
Contract security deposits	—	8,454	—
Miscellaneous	—	12,043	5,000
<i>Total</i>	<u>\$750,000</u>	<u>\$762,462</u>	<u>\$755,000</u>



## *Department of Highways*

### DEPARTMENT OF HIGHWAYS EXHIBIT 2

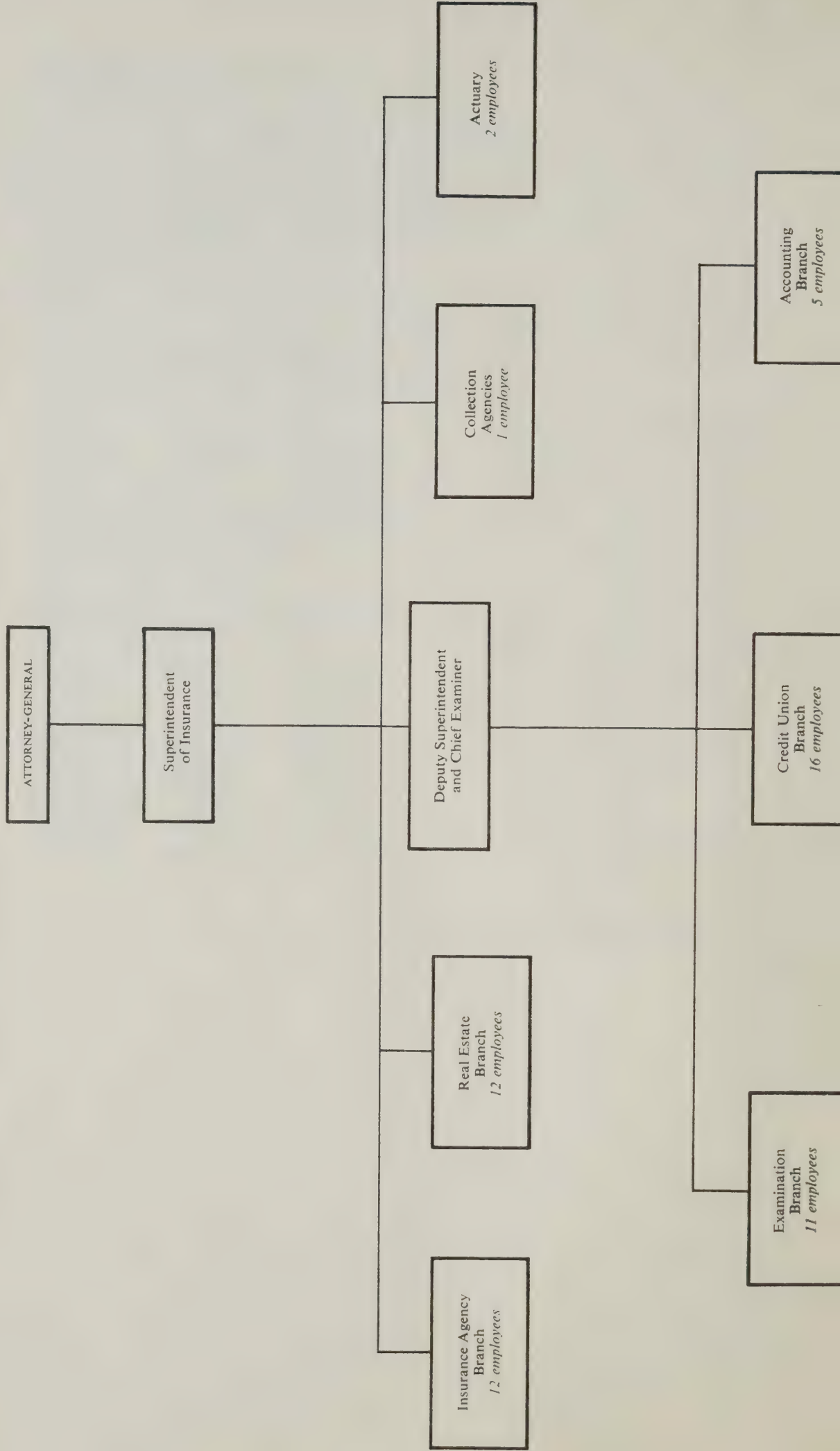
#### EXPENDITURE

	<i>Budget</i> <i>1957-58</i>	<i>Actual</i> <i>1957-58</i>	<i>Budget</i> <i>1958-59</i>
<b>ORDINARY EXPENDITURE</b>			
Main office and sundry expenditures	\$ 2,684,175	\$ 2,507,496	\$ 3,265,500
Maintenance of highways and secondary roads	44,112,600	38,960,641	44,451,000
Assistance to municipalities on road maintenance	24,190,225	22,862,052	25,492,500
Payments into the Highway Construction Account	57,500,000	57,500,000	20,000,000
Motor Vehicles Branch	4,674,000	(1)	(1)
Old Fort Henry	185,000	95,796	(2)
<i>Total Ordinary Expenditure</i>	<u>\$133,346,000</u>	<u>\$121,925,985</u>	<u>\$ 93,209,000</u>
<b>CAPITAL PAYMENTS</b>			
Construction of highways and secondary roads	\$107,242,000	\$108,362,542	\$128,067,000
Cost of surveying and purchasing property	20,992,000	16,643,243	17,433,000
Assistance to municipalities on road construction	36,735,000	36,079,095	44,435,000
New district buildings	2,000,000	2,138,640	4,000,000
New weigh scales	500,000	242,491	700,000
	<u>\$167,469,000</u>	<u>\$163,466,011</u>	<u>\$194,635,000</u>
Refunds	9,000,000	15,127,053	15,000,000
<i>Total Capital Payments</i>	<u>\$158,469,000</u>	<u>\$148,338,958</u>	<u>\$179,635,000</u>

<sup>1</sup> Transferred to Department of Transport

<sup>2</sup> Transferred to Department of Planning and Development

*Plan of organization of the Department of Insurance and related boards, commissions and like agencies*



## 7. Department of Insurance

The Department of Insurance is a separate government department established by provision of *The Insurance Act*. The Act specifies that it shall be presided over by a Minister and a Superintendent of Insurance who shall be the deputy head of the Department. The responsibilities assigned to the Department by this and other Acts give it authority to exercise general supervision over a number of phases of the operations of companies and agents engaged in the insurance, loan and trust company, real estate, collection agency and credit union fields. The supervision exercised takes various forms including the regulation of activities through licensing, inspection, audit, approval of policy forms and general enforcement and administration of Provincial legislation dealing with these fields.

As of July, 1958, the Department employed a full-time staff of approximately 60 employees. The general plan of organization of the Department and the number of employees associated with each of its organizational units is shown in chart form facing this page.

Ordinary revenues of the Department during the 1957-58 fiscal year amounted to approximately \$430,000, while ordinary expenditures totalled around \$327,000 in the same period. A more detailed breakdown of these figures is set out in Exhibit 1 following this memorandum.

The responsibilities and powers of the Attorney General and the Superintendent of Insurance are established by seven statutes associated with the work of the Department of Insurance. These Acts and their principal features are described below.

### *The Insurance Act*

This Act provides for the licensing of insurance companies (life, fire and casualty), fraternal societies, reciprocal exchanges and insurance agents, brokers and adjusters and for the regulation of the types of contracts written in these fields.



## *Organization of Government in Ontario*

The Superintendent of Insurance is responsible for determining the right of any insurer to be licensed under the Act and for making such enquiries into the contracts and financial affairs of the insurer as he deems necessary. However, any applicant for a licence under the Act, or any person who deems himself aggrieved by a decision of the Superintendent, may appeal therefrom to the Court of Appeal. No such appeal has been made for many years.

While the Superintendent determines the right of an insurer to be licensed, only the Lieutenant-Governor in Council or the Minister designated by the Lieutenant-Governor in Council to administer the Act (in this case, the Attorney General) can suspend or cancel a licence and there would not appear to be any provision for an appeal from such a decision.

Suspension or cancellation of a licence may take place for any one of a number of reasons as set out in the Act, such as failure of an insurer to keep its deposit with the Department unimpaired, inadequacy of an insurer's assets, violation of any provision of the Act, failure to reinsure a risk over a specified size, etc.

The Superintendent is required to report to the Minister any case where the insurer issues a policy or uses an application which in the opinion of the Superintendent is unfair, fraudulent or not in the public interest and, after hearing the insurer, the Minister may, if he concurs in the report, order the Superintendent to prohibit the insurer from using such forms.

The Superintendent exercises even closer control over automobile insurance contracts where policies, endorsements and extended coverage provisions can only be used by an insurer after they have been approved by him.

Licences are issued to agents by the Superintendent if the terms and conditions of the Act have been met. Such licences may be revoked by the Superintendent if, after due investigation and a hearing, he determines that the licensee has violated any provision of the Act, made a material misstatement in his application, has been guilty of fraudulent practice, or has demonstrated his incompetence or unworthiness.

In making a decision concerning the granting or refusal of an application for a licence or renewal of a licence, etc., the Superintendent may, and shall when so requested in writing by the applicant, appoint an advisory board to hold a hearing and make a report to the Superintendent with its recommendations. The decision, however, is made by the Superintendent and is subject, as noted previously, to appeal to the Court of Appeal.

## *Department of Insurance*

### *The Loan and Trust Corporations Act*

This Act provides for the incorporation in Ontario of loan corporations, loaning land corporations and trust companies. It requires registration of all such companies and provides means of controlling their manner of operation.

Certain powers are granted under the Act, to each of the Lieutenant-Governor in Council, the Minister, and the Superintendent of Insurance in his capacity of Registrar of Loan Corporations. Some of the principal powers, which cover a wide range, are as follows:

#### THE LIEUTENANT-GOVERNOR IN COUNCIL:

- shall be satisfied as to the necessity of a new trust company and the fitness of the applicants prior to issue of letters patent.
- may assent to the purchase, sale or amalgamation of companies in any of the fields covered by the Act.
- may suspend or cancel the registration of a corporation.
- may in certain circumstances authorize the acceptance of investments not authorized by the Act.

#### THE MINISTER:

- may instruct the Registrar of Loan Corporations or some other competent person to make a special examination of a corporation's books.
- may direct that amendments be made to by-laws found objectionable.

#### THE REGISTRAR OF LOAN CORPORATIONS:

- may suspend or cancel the registry of a corporation where an adequate audit of the corporation is not being made and in certain other circumstances as outlined in the Act.
- may require a corporation to dispose of unauthorized investments.
- decides who is or is not legally entitled to registry.

Any decision of the Registrar that affects the registration or right to registration of a corporation may be appealed to the Court of Appeal. However, no appeal has been made under this provision for a number of years.

### *The Real Estate and Business Brokers Act*

This Act requires all brokers and salesmen to be licensed before they can trade in real estate with the public. In addition, the Act provides the

## *Organization of Government in Ontario*

machinery for investigating complaints against brokers or salesmen and sets out requirements as to the books of account to be kept by brokers and the manner in which they shall deal with deposits. The Act also sets out many requirements of brokers and salesmen when buying or selling real estate for the public and prescribes the penalties for failure to do so.

The Superintendent of Insurance is given authority under the Act to grant registration where, in his opinion, the applicant is suitable for registration or to suspend or cancel registration where, in his opinion, such action is in the public interest. In taking such action the Superintendent may, and shall when so requested in writing by the applicant, appoint an advisory board which shall hold a hearing and make a report to the Superintendent with its recommendations.

Where, after suitable investigation, it appears to the Superintendent that any person may have violated any of the provisions of the Act or committed an offence under the Criminal Code in connection with a transaction relating to real estate, the Superintendent shall send a complete report of the investigation to the Attorney General.

Any applicant, broker or salesman whose registration is affected by a direction, decision or order of the Superintendent or his staff may request a hearing and review by the Superintendent who may then confirm or revoke the original direction or decision. After this, the person who requested the review may appeal to a justice in appeal of the Supreme Court.

### *The Collection Agencies Act:*

This Act provides for the licensing of collection agencies or collectors to carry on the business of collecting debts for other persons and sets forth certain regulations with which each licensee is required to conform.

A Registrar, appointed by the Superintendent of Insurance recommends to the Superintendent the issue, refusal to issue, suspension or cancellation of a licence. He also must approve all agreements entered into by a collection agency or collector and all forms or letters used to collect money from a debtor.

Any applicant, whose licence is affected by a direction, decision or order may request a hearing or review by the Superintendent and a provision is made for a further appeal to a justice in appeal of the Supreme Court.

### *The Credit Unions Act:*

This Act is intended to provide a code of procedure for the administration of individual credit unions. No licensing is required under the Act but certain powers are given to the Superintendent of Insurance, the Registrar of Credit Unions and the Supervisor of Credit Unions.



## *Department of Insurance*

These powers cover the approval of the by-laws of any credit union, an examination into the affairs of a credit union under certain circumstances and control over the size of a credit unions' reserves, the ratio of its assets to its liabilities, etc.

Any credit union that deems itself aggrieved by any decision of the Superintendent may appeal therefrom to the Court of Appeals.

### *The Prepaid Hospital and Medical Services Act:*

This Act provides for the registration of companies incorporated for the purpose of establishing, maintaining and operating a hospital and medical service on a non-profit prepayment basis.

Applications are made to the Superintendent of Insurance accompanied by details of the proposed plan including contract forms, rates, benefits, etc. Registrations are granted by the Superintendent if he is satisfied with the proposed arrangements including the adequacy of the company's working capital and reserves. Registrations are subject to renewal each year and may be suspended or cancelled by the Superintendent upon any grounds which would justify refusal to grant registration or where the company fails to comply with any provision of the Act.

Any company that deems itself aggrieved by a decision of the Superintendent may appeal therefrom to the Court of Appeal. However, no such appeal has ever been made.

### *The Investment Contracts Act*

This Act provides for the registration of companies selling investment contracts under which the issuer undertakes to pay a stated amount in cash on a fixed date in consideration of payments made to it periodically during the life of the contract.

The powers of the Superintendent and the right of appeal of an applicant or a registered company are similar to those outlined under *The Prepaid Hospital and Medical Services Act*. Once again, no appeal has ever been launched and there is no power of review vested in the Attorney General under either of these Acts, although *The Investment Contracts Act* states that no proceedings to recover penalties provided for in the Act shall be instituted without the written consent of the Attorney General.

# Organization of Government in Ontario

## DEPARTMENT OF INSURANCE EXHIBIT 1

### STATEMENT OF REVENUE AND EXPENDITURE

	<i>Budget</i> <i>1957-58</i>	<i>Actual</i> <i>1957-58</i>	<i>Budget</i> <i>1958-59</i>
REVENUE			
Insurance Act	\$319,300	\$350,163	\$335,000
Reciprocal-tax on premiums	—	6,346	—
Loan and Trust Act	9,200	9,473	9,200
Real Estate Act	100,000	52,704	100,000
Collection Agency Act	4,000	4,893	4,000
Investment Contracts Act	4,000	4,512	4,000
Prepaid Hospital Act	1,500	1,730	1,500
	<u>\$438,000</u>	<u>\$429,821</u>	<u>\$453,700</u>
EXPENDITURE			
Salaries	\$246,000	\$247,093	\$300,000
Travelling	28,000	27,090	37,000
Maintenance	54,650	52,904	61,650
Association grant	350	350	350
	<u>\$329,000</u>	<u>\$327,437</u>	<u>\$399,000</u>

## 8. Department of Labour

THE DEPARTMENT OF LABOUR's primary concern is the safety and economic protection of the Provincial labour force. It also provides facilities for examining into and certifying as to the qualifications of workers in certain designated trades or occupations and for attempting to settle disputes that arise between labour and management.

The general plan of organization under which the Department discharges these responsibilities is shown in chart form overleaf. This chart sets out the various organizational units of the Department and indicates the approximate number of employees associated with each unit.

As of March 31st, 1958, the Department had a total staff of 336, of which 325 were employed on a full-time basis and 11 on a seasonal basis.

The ordinary revenue of the Department during the 1957-58 fiscal year amounted to a little over \$700,000 and ordinary expenditures in the same period totalled close to \$2,400,000. Capital receipts during this period, arising out of the sale of vacation pay stamps, amounted to approximately \$13,700,000 and capital disbursements for the redemption of these stamps approximated \$13,500,000. A further breakdown of revenue by source and expenditure by Branch is set out in Exhibits 1 and 2 respectively at the conclusion of this memorandum.

The activities of the Department can be classified roughly into the following four categories:

- The Economic Protection of Workers

- The Safety of Workers

- The Training and Qualifications of Workers

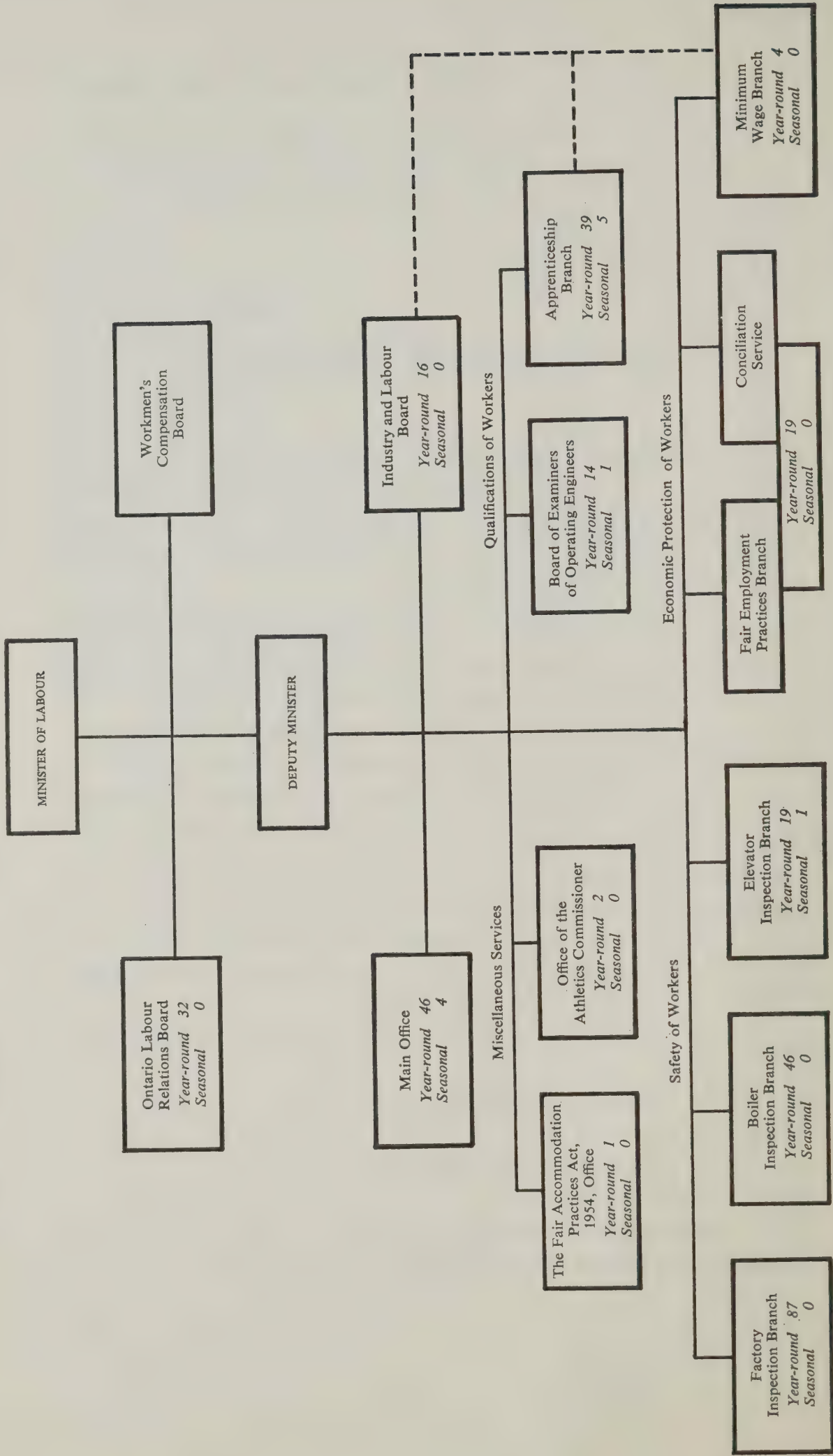
- Miscellaneous Services

Under these four principal headings we describe the work of the organizational units that make up the Department of Labour and its as-



# PROVINCE OF ONTARIO

*Plan of organization of the Department of Labour and related boards, commissions and like agencies*



NOTE: Figures appearing on this chart indicate approximate size of staffs employed in the different branch units of the Department. Separate figures are used to show Year-round and Seasonal work only.

sociated agencies, along with the legislation from which they derive their responsibilities and their powers.

## **The Economic Protection of Workers**

The units engaged in this phase of the Department's activities are concerned primarily with ensuring that workers are protected, as far as is practicable, from the possibility of exploitation or discrimination at the hands of employers, and that their wages, working conditions, etc., are maintained at a reasonable level. Where negotiations between employees and employers break down, facilities are provided to renew such negotiations and bring them to a successful conclusion, while at the same time protecting the rights of both parties as provided for in the legislation governing this area.

These responsibilities are divided between five principal units, three of which are Branches of the Department and two are Boards. The work of these Boards is so closely associated with that of the Department that they can be considered to be an integral part of its operations. We describe in the following paragraphs the principal responsibilities of these units and the legislation relating to their work.

*Ontario Labour Relations Board:* This Board consists of a Chairman, a Vice-Chairman and four members, with provision for additional members to be appointed to represent employees and employers as the Lieutenant-Governor in Council may deem proper. Additional members sit only on request of the Chairman or Vice-Chairman. The Chairman and Vice-Chairman are full-time employees of the Department of Labour and the other members of the Board, who are representatives of employers and employees, are appointed on a per diem basis by the Lieutenant-Governor in Council on the recommendation of the Minister of Labour.

Under the provisions of *The Labour Relations Act*, the Ontario Labour Relations Board may certify bargaining agents, terminate bargaining rights and issue declarations as to successor status. The Board is empowered to screen requests for conciliation services in relation to the negotiation of collective agreements, and to declare whether strikes or lock-outs are unlawful. With the exception of a refusal to comply with an order of the Minister under Section 58 of the Act, no prosecution for an offence under the Act can be instituted without the consent of the Board.

There is no appellate tribunal to which a person affected by a decision of the Board can appeal and there is no power vested in the Minister

## *Organization of Government in Ontario*

of Labour to review the decisions of the Board. However, the Board is empowered to reconsider any of its decisions and the courts have exercised certain powers of review notwithstanding the provisions of the privative clause (Section 69) of the Act.

*Conciliation Service and Fair Employment Practices Branch:* A common staff handles the activities of these two units of the Department. *The Labour Relations Act* authorizes the Department to provide conciliation services to employers and employees who are unable to conclude a collective agreement through their own efforts. These services include:

- a legal method for employers and employees to meet, discuss, and settle matters in dispute.
- services to both parties for further negotiations when they are unable to settle these matters themselves.
- a method for the Minister to investigate industrial disputes.
- assistance to any employee who feels he has been discriminated against unlawfully.

When negotiating parties have failed to reach agreement, either one may file with the Ontario Labour Relations Board an application requesting that conciliation services be made available to the parties. On approval of the Board, the Minister appoints a conciliation officer, and if necessary a conciliation board, whose function it is to attempt to effect conciliation between the parties involved. In the event that a matter brought to conciliation reaches the stage of being dealt with by a conciliation board, the board is required to report its findings and recommendations to the Minister and the Minister is required to forward a copy of the report to each party. The Minister may decide not to appoint a conciliation board.

Similarly, *The Labour Relations Act* provides that the Minister may appoint a conciliation officer to enquire into a complaint from any person who alleges that he has been dealt with contrary to the Act.

The Fair Employment Practices Branch investigates, reports and makes recommendations to the Minister concerning any complaints filed with it under the provisions of two statutes: *The Fair Employment Practices Act*, which seeks to protect men and women against discrimination because of race, creed, nationality, ancestry or place of origin; and *The Female Employment Fair Remuneration Act*, which entitles women in employment to equal pay with men who do similar work in the same establishment.

*Industry and Labour Board:* This Board was originally set up in 1935



as an independent Board, to consist of representatives of industry and labour. However, five or six years later, when the legislation pertaining to this area was revised, the Board was made a part of the Department of Labour. It was reduced at that time to three members, all of whom were and still are employees of the Department.

The Board acts as a branch of the Department in administering Acts which are described subsequently. Its members also direct the work of two other Branches of the Department—the Minimum Wage Branch and the Apprenticeship Branch. The responsibilities and powers of the Board in connection with the legislation that it administers directly are described in the following paragraphs.

Under *The Industrial Standards Act* a method is provided by which employers and employees in a particular industry and zone, may meet, discuss and propose for legal establishment, what is considered fair or good working conditions. These might include such matters as the maximum number of hours comprising the regular working day and week, minimum rates of wages for regular and overtime working periods, the particular days in the week for the performance of labour, lower rates of wages for handicapped workers, etc.

An advisory committee of not more than five members is appointed by the Minister for every zone or group of zones to which a schedule applies, and this committee may hear complaints of employers and employees to whom such a schedule applies. The Committee may generally assist in carrying out the provisions of the Act, its regulations and the schedule. However, any employer or employee aggrieved by a decision of an advisory committee shall have the right of appeal from the decision to the Industry and Labour Board. The Board has jurisdiction to hear and determine the appeal and the Board's decision is final.

Since 1952, approximately 128 of these committees have been established, 120 of which have three employer and two employee representatives, 4 have two employer and one employee representatives and 4 have equal employer and employee representation with a chairman appointed by both sides.

In administering the regulations or schedules made under the Act, the Board issues opinions rather than rulings. Where an employer or employee, in the opinion of the Board, contravenes some provision of the legislation, the Board has no power of enforcement except through the courts.

The Lieutenant-Governor in Council may appoint persons as Industrial Standards Officers whose duty it is to assist in carrying out the

## *Organization of Government in Ontario*

provisions of this legislation. These Industrial Standards Officers have authority to conduct inquiries and investigations respecting all matters coming within the scope of the Act and the officers have the powers and rights of commissioners appointed under *The Public Inquiries Act*.

No single public inquiry has been held during the last approximate twenty years. However, Industrial Standards Officers do convene conferences at the request of employer and employee groups, for the purpose of discussing working conditions and establishment of schedules.

It is the prerogative of the Minister of Labour to designate the zones and define the industries; to approve of a submitted schedule; to revise any schedule submitted to him by a conference so that it may meet the requirements of the Act; and, to recommend to the Lieutenant-Governor in Council revocation of any schedule.

*The Hours of Work and Vacations with Pay Act* also comes under the administration of the Industry and Labour Board. The Act establishes a maximum regular work week for employees in any industrial undertaking and provides every employee with a vacation of at least one week with pay each working year of his employment.

In enforcing the provisions of this Act, the staff of the Industry and Labour Board are authorized to inspect the records of any employer where provisions of the Act are alleged to have been violated and to inquire into any partnership, association or scheme it is of the opinion is designed to defeat the purpose of the Act.

Finally, under the direction of the Industry and Labour Board, the Minimum Wage Branch of the Department administers *The Minimum Wage Act*. The purpose of the Act is to provide authority for the establishment, by orders, of a minimum wage for the regular weekly hours of labour, the maximum number of hours of labour which may regularly be worked, minimum hourly rates of wages for overtime work, etc.

The Act authorizes the staff of the Branch to investigate complaints of violation of the orders established under the Act and to inspect records of employers to determine whether such orders have been complied with or not. Where they have not been complied with, the Branch may order the required increases in wages and may order payment of arrears in wages. If the employer refuses to comply with these orders, the courts decide on the disposition of the case.

The Industry and Labour Board also approves piece-work rates for work done at home and issues permits authorizing the employment of



handicapped workers at rates lower than the minimum rates established by orders.

## **Qualification of Workers**

Two units of the Department have as their principal concern the responsibility for making sure that workers in designated fields are qualified to work in those fields before issuing certificates of qualification to them. The functions of these units and the legislation from which they derive their powers are described below.

*Apprenticeship Branch:* This Branch, under the direction of the Industry and Labour Board, administers and enforces the provisions of *The Apprenticeship Act*. This Act provides that persons between the ages of sixteen and twenty-one, who are employed in designated trades as provided in Schedule A of the Act, may be indentured and registered with the Branch. It authorizes the Branch to arrange for apprentices to be properly trained on the job by qualified journeymen and for this training to be supplemented by a limited amount of training at the Provincial Institute of Trades.

To enforce the provisions of the Act, the Branch has a staff of inspectors, who ensure that apprentices are being given the proper amount and type of training and that employers, in return, are receiving a fair amount of work from the apprentices.

Trade schools may be established for the purpose of training workers for the designated trades of barbering and hairdressing, which are designated trades under Schedule B of the Act, and each school must, first of all, obtain a licence to operate from the Apprenticeship Branch. The Branch arranges for examinations to be held for applicants seeking to obtain certificates of qualification and issues such certificates to applicants who pass the examinations and who have completed the designated time in their respective trades.

Under the provisions of *The Apprenticeship Act*, Provincial advisory committees for designated trades can be set up by the Industry and Labour Board to advise the Board on matters relating to apprenticeship. Each Provincial advisory committee has an equal number of employer and employee representatives plus an official of the Department. There are currently Provincial advisory committees as follows:

Committee for the Designated Building Trades.

Committee for the Designated Trade of Barber.



## *Organization of Government in Ontario*

Committee for the Designated Trade of Hairdresser.

Committee for the Designated Trade of Motor Vehicle Repairs.

Committee for the Designated Trade of Worker in Servicing and Installing Air-Conditioning and Refrigerating Equipment.

The Act also makes provision for local apprenticeship committees to advise and assist the Provincial advisory committee on matters relating to apprenticeship for the particular designated trade or group of designated trades in the area they represent. The local apprenticeship committees are appointed by the Provincial advisory committees subject to the approval of the Industry and Labour Board. There are approximately 65 local apprenticeship committees.

Subject to the approval of the Industry and Labour Board and the Lieutenant-Governor in Council, each Provincial advisory committee may make regulations in respect to all matters regarding which the Board may make regulations, providing such regulations are not inconsistent with any regulations made by the Board. In particular, each committee has the power to make regulations in respect to its specific trade regarding—

- the qualifications respecting the age of apprentices.
- the apprenticeship period.
- the number of apprentices who may be apprenticed to each employer.

*Board of Examiners of Operating Engineers:* This is a four-man Board consisting of full-time employees of the Department. In practice it acts as a Branch of the Department. It is responsible for administering and enforcing the provisions of *The Operating Engineers Act, 1953*, which provides for the certification of the engineers who operate boilers, furnaces, compressors, etc. Similarly, under the Act, the Board certifies the operators of locomotive and hoisting equipment. The Board conducts examinations into the qualifications of persons applying for certificates as stationary engineers, hoisting engineers, traction engineers, and refrigerator and compressor operators and recommends to the Minister the issuance of certificates to successful applicants. Such certificates are renewable at the beginning of each calendar year.

The staff of the Board inspect plants to ensure that they are complying with the provisions and regulations of *The Operating Engineers Act, 1953*. Where this is the case, they register the plants and recommend to the Minister of Labour the issuance of certificates of registration to the owners.

## Safety of Workers

Three Branches of the Department are concerned with reducing, to the greatest extent possible, the likelihood of injury to workers engaged in occupations where any significant degree of hazard exists. The way in which this is accomplished and the legislation that gives these Branches their powers is described in the following paragraphs.

*Factory Inspection and Composite Inspection Branches:* These Branches are responsible for enforcing the provisions of *The Factory, Shop and Office Building Act* as well as certain regulations made under *The Department of Labour Act*.

*The Factory, Shop and Office Building Act* by its provisions establishes standards pertaining to the safety, health and welfare of employees in industrial and commercial establishments. It requires the submission of plans to the Factory Inspection Branch for the construction of new buildings and for the alteration or extension of existing buildings to ensure that proper provision is made for compliance with the Act and Regulations in respect to engineering, exits, sanitation, heating, lighting and ventilation before the actual construction begins.

The Act prohibits the employment of children under 14 years of age in a factory, shop, bakeshop, restaurant and office building. It also requires that persons between fourteen and sixteen shall not be employed in such premises during school hours unless covered by employment certificates issued under *The Schools Administration Act*.

The Act also controls the hours of work in factories, restaurants and shops for females and youths. It limits regular hours and lunch periods and controls, through permits, overtime in factories, shift hours in factories and restaurants, and requires transportation for females leaving their places of employment between midnight and seven a.m.

Regulations made under *The Department of Labour Act* and enforced by this Branch establish rules for safeguarding the health of persons employed on construction work in tunnels, shafts, open caissons, coffer dams and cribs.

Staff of the Composite Inspection Branch inspect such construction work, as well as all industrial and commercial establishments in the Province, to ensure that satisfactory working conditions for employees are being maintained in these establishments. They investigate industrial accidents and reports of occupational diseases as well as complaints with respect to working conditions, sanitation, guarding of machinery, exits, etc. They also

## *Organization of Government in Ontario*

provide inspection under other legislation for other branches as required.

The Department of Labour, through these Branches, co-operates with the Industrial Hygiene Division of the Department of Health in seeking to correct industrial conditions which adversely affect the health of employees. Either Department may become aware of a problem or receive a complaint concerning a condition that needs investigating. When this is the case, the Department becoming aware of the condition usually consults with the other Department as to the action that should be taken.

*Boiler Inspection Branch:* This Branch enforces the provisions of *The Boilers and Pressure Vessels Act, 1951*, which was established for the purpose of controlling, so as to keep within safe limits, the design, manufacture, repair and operation of all boilers and pressure vessels coming within the scope of the Act.

Under the Act, it is obligatory for an owner or person responsible for a boiler or pressure vessel to have it inspected annually either by a boiler inspector from this Branch or an insurance inspector who has been qualified under the Act. The Branch issues certificates when such inspections have been made and investigates accidents relating to the use of this type of equipment.

The Branch also tests the qualifications of welding operators and issues an identification card to every welding operator who successfully passes the test.

*Elevator Inspection Branch:* This Branch administers *The Elevators and Lifts Act, 1953*, which established minimum standards for the construction and maintenance of elevators and lifts that come within the scope of the Act.

Under the Act, every elevator, dumb-waiter, escalator, etc., except those specifically excluded, must be inspected annually by an inspector of the Branch or a qualified insurance representative and a licence issued for its operation.

All drawings and specifications of proposed new installations or major alterations of this type of equipment must be submitted for approval by an engineer of the Department and all contractors in this line of work must be registered annually by the Branch.

*Director of Technical Services:* This position is filled by the same person that occupies the position of Examiner of Plans in the Factory Inspection Branch. In his capacity of Director of Technical Services, he is responsible for providing engineering advice and consulting service to the



personnel of the Factory, Elevator and Boiler Inspection Branches as well as the Board of Examiners of Operating Engineers.

### **Miscellaneous Services**

*The Fair Accommodation Practices Act, 1954, Office:* This Office, which is staffed by only one individual who is also a member of the Industry and Labour Board, inquires into complaints of discrimination against persons or classes of persons, in places to which the public is customarily admitted, because of their race, creed, colour, nationality, ancestry or place of origin, or of discrimination expressed by published or displayed signs and notices against persons or classes of persons because of their race or creed.

*Office of the Athletics Commissioner:* This Office administers *The Athletics Control Act* which provides for the supervision of amateur and professional boxing and wrestling contests or exhibitions in Ontario. The Office issues licences to boxers, wrestlers, managers of professional boxers and wrestlers, and promoters and officials of boxing and wrestling contests or exhibitions.

It also collects a two per cent tax on professional boxing and wrestling matches and investigates any complaints concerning such exhibitions.

The Office encourages and promotes amateur sports and programs of athletics and physical education sponsored by communities and educational authorities.

### **General Legislation**

There are a number of Acts administered by the Department that apply particularly to workers in certain types of industry. These are:

*The Building Trades Protection Act*

*The Trench Excavators Protection Act*

*The Government Contracts Hours and Wages Act*

*The One Day's Rest in Seven Act:*

These Acts provide for the safety or economic protection of workers generally or in prescribed occupations. Under *The Government Contracts Hours and Wages Act*, the Department of Labour is responsible for establishing fair wages on contracts when requested by a government department (most often the Department of Public Works) or as a result of a complaint from the public.

## *Organization of Government in Ontario*

### *The Wages Act*

#### *The Public and Other Works Wages Act:*

Provide priority for payment of wages to workers under certain conditions as set out in the Acts.

#### *The Rights of Labour Act:*

States that a trade union and its acts shall not be considered unlawful by reason of the fact that one or more of its objects are in restraint of trade.

#### *The Workmen's Compensation Insurance Act:*

Gives workmen, in employment not covered by *The Workmen's Compensation Act*, a claim on insurance monies payable to their employers for damages to which the workers are entitled because of injury to them.

#### *The Employment Agencies Act:*

Provides a measure of control over employment agencies by requiring them to be licensed by the Department of Labour.

#### *The Bread Sales Act:*

Provides that bake shops shall be licensed and that bread shall be of a certain weight and made of unadulterated material. Municipal councils are responsible for appointing inspectors to enforce the Act.

## **Boards, Commissions and Like Agencies**

In addition to the Boards already referred to in describing the activities of the Department, there are two other agencies associated with the Department, one completely independent in its operations and the other not yet formally established. These two agencies are described below:

*Workmen's Compensation Board:* This Board consists of three members, none of whom is an employee of the Department of Labour and all of whom are appointed by the Lieutenant-Governor in Council on the recommendation of the Minister of Labour.

The Board's primary responsibility is for the adjudication of claims made on it by those requesting compensation for injuries received while working in an occupation covered by the terms of *The Workmen's Compensation Act*.

When a claim is approved and medical treatment is indicated, the Board has the responsibility for supervising such treatment. This includes the operation of a 550 bed hospital. The Board has its own administrative

## Department of Labour

staff and facilities and operates completely independently of the Department of Labour.

Since we understand that the operations of this Board are the subject of a separate memorandum to the Committee, we have not attempted to go into any greater detail in our report.

*The Ontario Anti-Discrimination Commission:* This Commission was constituted in 1958 under *The Ontario Anti-Discrimination Commission Act, 1958*. It has not been set up as yet. The primary function of the Commission will be to advise the Minister of Labour in the administration of *The Fair Employment Practices Act, The Female Employees Fair Remuneration Act* and *The Fair Accommodation Practices Act*.

Despite the fact that this Commission has not been constituted, the Department has the power, under existing legislation, to appoint special commissions to investigate grievances under any one of the pieces of legislation with which the Ontario Anti-Discrimination Commission will be concerned.

### Addendum, August, 1959

By Order-in-Council dated January 20, 1959, three members, all of whom are officials in the Department of Labour, were appointed to the Ontario Anti-Discrimination Commission.

#### DEPARTMENT OF LABOUR EXHIBIT 1

##### REVENUE

	<i>Budget</i> <i>1957-58</i>	<i>Actual</i> <i>1957-58</i>	<i>Budget</i> <i>1958-59</i>
ORDINARY REVENUE			
<i>Main Office</i>			
Sale of Stock Equipment, Stationery	\$ 28,000	\$ 28,989.63	\$ 28,000
Miscellaneous	—	914.78	—
<i>Industry and Labour Board</i>			
Sale of Vacation Pay Books	100,000	112,092.50	110,000
Miscellaneous	—	31.29	—
<i>Apprenticeship Branch</i>			
Motor Vehicle Repair	35,000	36,778.85	35,000
Barbering Trade	4,500	6,379.00	6,000
Hairdressing Trade	11,500	15,283.80	14,000
Miscellaneous	—	92.05	—



## Organization of Government in Ontario

	<i>Budget</i> <i>1957-58</i>	<i>Actual</i> <i>1957-58</i>	<i>Budget</i> <i>1958-59</i>
ORDINARY REVENUE—Cont'd.			
<i>Boiler Inspection Branch</i>			
Inspections	130,000	154,291.68	150,000
Designs	16,000	23,580.50	21,000
Expenses	5,000	9,540.00	7,000
Affidavits	3,500	3,965.00	5,500
Certificates of Competency	500	428.00	500
Miscellaneous	—	93.70	—
<i>Factory Inspection Branch</i>			
Building Plan Examination	120,000	161,846.50	132,000
Miscellaneous	—	5.45	—
<i>Board of Examiners of Operating Engineers</i>			
Examinations and Certificates	70,000	76,815.75	74,000
Sale of Stationery, Text Books	6,000	8,618.50	8,000
Miscellaneous	—	42.42	—
<i>Minimum Wage Branch</i>			
Penalties	—	731.74	—
<i>Office of the Athletics Commissioner</i>			
Taxes	22,000	24,361.02	30,000
Licences	11,000	11,616.00	11,000
Fines	—	150.00	—
Miscellaneous	—	.63	—
<i>Elevator Inspection Branch</i>			
Inspections	31,000	34,186.00	30,000
Licences	41,000	37,177.50	39,000
Drawings	3,800	5,215.00	4,300
Expenses	—	235.43	500
Registering Contractors	1,000	1,765.00	1,000
Certificates of Competency	200	330.00	200
Miscellaneous	—	25.20	—
Gross Ordinary Revenue	640,000	755,582.92	707,000
DEDUCT—Reimbursements of Expenditures	—	28,989.63	—
Net Ordinary Revenue	\$ 640,000	\$ 726,593.29	\$ 707,000
CAPITAL RECEIPTS			
<i>Industry and Labour Board</i>			
Sale of Vacation Pay Stamps	\$10,500,000	\$13,656,778.43	\$14,000,000
<i>Office of the Athletics Commissioner</i>			
Security Deposits	—	1,500.00	—
Total Capital Receipts	\$10,500,000	\$13,658,278.43	\$14,000,000

## Department of Labour

### DEPARTMENT OF LABOUR EXHIBIT 2

#### EXPENDITURE

	<i>Budget</i> <u>1957-58</u>	<i>Actual</i> <u>1957-58</u>	<i>Budget</i> <u>1958-59</u>
ORDINARY EXPENDITURE			
Main Office	\$ 531,000	\$ 553,594.53	\$ 611,000
Industry and Labour Board	261,000	266,000.92	314,000
Apprenticeship Branch	496,000	485,862.22	557,000
Boiler Inspection Branch	248,000	260,645.95	289,000
Factory Inspection Branch	434,000	418,814.99	495,000
Board of Examiners of Operating Engineers	72,000	73,495.73	94,000
Minimum Wage Branch	17,000	16,173.72	19,000
Labour Relations Board	166,000	178,307.79	213,000
Office of the Athletics Commissioner	29,000	33,254.80	46,000
Elevator Inspection Branch	99,000	90,727.87	113,000
<i>Total Ordinary Expenditure</i>	<u>\$ 2,353,000</u>	<u>\$ 2,376,878.52</u>	<u>\$ 2,751,000</u>
CAPITAL DISBURSEMENT			
<i>Industry and Labour Board</i>			
Redemption of Vacation Pay Stamps	\$10,500,000	\$13,517,015.81	\$14,000,000

## 9. Department of Lands and Forests

THE DEPARTMENT OF LANDS AND FORESTS is responsible for administering all legislation relating to the control and development of the Crown lands of the Province, its forest resources and its fish and wild life resources. Its main functions include:

- the identification of Crown lands and the disposal of them for purposes of municipal and private development.
- the control of Crown waters and the leasing of rights to develop power from such waters.
- the development and management of most Provincial parks.
- the control and protection of Crown forests and the disposal of rights to cut timber in these forests as well as the development of forests throughout the Province.
- the administration of measures for the conservation and development of fish and wild life in the interests of both commercial and recreational ends.

The Department deals with its responsibilities through an organization which includes a large staff of field personnel that is distributed throughout the Province. A total of 22 geographic districts have been defined and resident field staffs, assigned to each district, handle detailed activities associated with carrying out all phases of the Department's work. Supplementing that field organization are a number of specialist staff units which form a headquarters organization. Included in the headquarters organization are units which provide general services to the Department as a whole and specialized units that plan and guide the Department's programs in connection with each of the different functions for which it is responsible.



## *Department of Lands and Forests*

The general nature of this organizational arrangement is shown in the chart on the following page. It will be seen that in addition to staff units dealing with matters relating to the internal affairs of the Department, the headquarters organization includes five divisional units that are identified with specialized phases of the Department's broad area of responsibility. These units are the following:

Surveys Division

Parks Division

Fish and Wild Life Division

Forest Protection Division

Timber Division

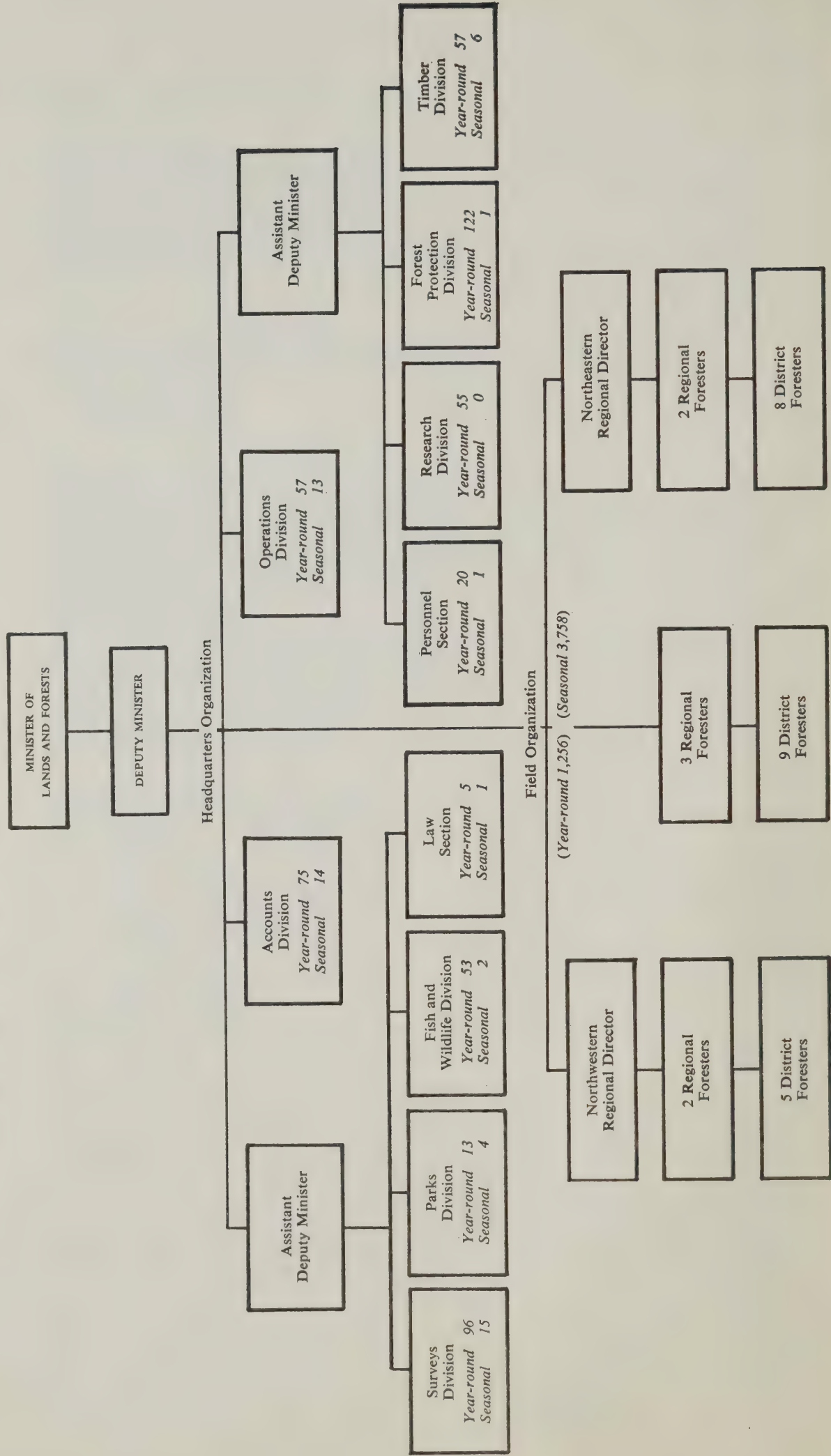
The work of these Divisions, and of three other headquarters units that provide internal services to the Department, is directed by two Assistant Deputy Ministers. Each Assistant Deputy is responsible for a group of four of the units within the headquarters organization. Two other headquarters units report directly to the Deputy Minister. They are the Accounts and Operation Divisions which are primarily concerned with internal administrative matters. In the case of the latter of these Divisions the use of the term Operations is somewhat misleading. The actual function of that Division is to supply a number of miscellaneous services. It has no administrative responsibilities in connection with the operating programs of the Department.

The total staff of the Department that is employed on a year-round basis numbered approximately 1,800 employees in the late Spring of 1958 and at this time about 5,400 employees were being retained on seasonal work. The distribution of employees between different units of the Department is shown in the chart setting out its general plan of organization. It will be noted that the field organization employs more than two-thirds of the total of year-round employees and virtually all of the seasonally employed personnel. The high ratio of seasonally employed field staff to year-round field staff results from the outdoor nature of the Department's activities.

The work of the field organization, which reports directly to the Deputy Minister, is administered through an arrangement under which a resident district forester is assigned responsibility for directing activities in each of the Department's 22 geographic districts. Each district forester is responsible to a regional forester who supervises from 2 to 4 districts. Three regional foresters work under the immediate direction of the Deputy Minister. Four others report to 1 or other of 2 regional

PROVINCE OF ONTARIO

Plan of organization of the Department of Lands and Forests and related boards, commissions and like agencies



## *Department of Lands and Forests*

Directors who are respectively responsible for a Northwestern area consisting of 5 districts and a Northeastern area consisting of 8 districts.

The ordinary revenues resulting from the Department's activities during the fiscal year 1957-58 amounted to approximately \$22,190,000. The major share of that amount, some \$14,400,000, was accounted for by the revenue accruing from dues, etc., collected on timber operations carried out under cutting rights granted by the Department. Two other sources of revenues in excess of \$1,000,000 during the year were fish and wild life licensing and royalty programs which yielded some \$4,400,000 and income from water power leases which produced revenue in excess of \$1,600,000.

The Department's ordinary expenditures in 1957-58 totalled approximately \$18,700,000. Of that amount some \$12,850,000 was spent on forest protection, reforestation and timber management operations with costs of forest protection work totalling nearly \$7,000,000. The costs of fish and wild life conservation activities during the year amounted to approximately \$3,500,000.

Capital account receipts from the sale of Crown lands and amounts recovered on the construction of logging roads totalled some \$490,000 while capital disbursements were approximately \$280,000. Exhibits 1 and 2 following this memorandum supply a detailed breakdown of 1957-58 revenues by sources and expenditures by type as well as corresponding budget figures for both that year and the fiscal year 1958-59.

The Department's responsibilities, functions, governing legislation and relationships with other government departments and agencies can be reviewed most effectively by outlining the separate fields of interest of the various units of its headquarters organization. This is done under headings which follow.

### **Surveys Division**

The Surveys Division deals with all matters connected with the management and development of Crown lands. It is responsible for identifying and defining such lands and it handles the administration of all arrangements required for their disposal by sale, licence or lease. In addition, the Division directs the administration of certain legislation having to do with the use and regulation of lakes and rivers.

The Department's work in these fields is governed by the following statutes:



## *Organization of Government in Ontario*

### *The Public Lands Act*

This is the statute that provides for the formation of the Department and places in the hands of the Minister the responsibility for the management and disposition of the public lands and forests.

The Act assigns the Minister powers to prepare land plans and also to alter or amend existing plans in certain circumstances. He is authorized to determine the rights of persons granted title to land located or sold under the Act and to cancel a land disposal transaction in the case of failure of a buyer to adhere to conditions of the transaction. The Act makes no provision for appeal from a decision of the Minister on these matters.

### *The Surveys Act*

This Act defines the procedures and techniques applicable to the making of surveys and authorizes the Minister to direct the making of certain surveys.

### *The Lakes and Rivers Improvement Act*

The purpose of this Act is to permit the construction of dams and other works on lakes and rivers to provide for safe and orderly use of such waters for purposes of transporting timber. It also includes provisions for regulating usage of these waters for this purpose so as to avoid discrimination against persons having other interests in them.

### *The Water Powers Regulation Act*

This Act authorizes the Minister to grant rights to the use of water power sources under lease agreements and requires that every holder of such rights use the water that is put at his disposal in an economic and efficient manner.

### *The Beds of Navigable Water Act*

This Act provides that beds of navigable waters are vested in the Crown unless expressly granted.

### *The Lake of the Woods Control Board Act*

This statute is associated with like acts of the Federal and Manitoba Governments. It provides for:

- the establishment of a Lake of the Woods Control Board composed of representatives of each of the three Governments.
- the regulation of designated waters in the Lake of the Woods area for the purpose of ensuring that optimum water power resources of the area are made available.

## *Department of Lands and Forests*

The Board is composed of four members with two being Ontario appointees. Of these, one is normally appointed from the staff of the Department and one from the staff of the Hydro-Electric Power Commission. The Board controls water levels throughout the general Lake of the Woods area but in doing so must take into account maximum and minimum levels for the Lake of the Woods proper as specified by an agreement between Canada and the United States. It meets 2 to 4 times per year at the call of the Federal Government and its recommendations are subject to approval by that Government.

In carrying out its responsibilities under the above legislation, the Surveys Division conducts surveys, compiles and distributes Provincial maps, handles all sale, lease and licence transactions in respect to land disposal, maintains complete records of land disposition and arranges for periodic inspection of land use to ensure that transfer conditions are being met. It investigates applications for water power leases and issues agreements. It studies proposed plans for dam construction and recommends approval in appropriate circumstances.

A good deal of the Division's work is closely associated with that of other Provincial departments and agencies. Some of the more important areas of association are noted below.

*The Departments of Municipal Affairs and Planning and Development:* As the custodian of Crown lands the Department of Lands and Forests grants town sites for new municipalities formed under the auspices of the Department of Municipal Affairs. Officials of the Department serve on committees dealing with such projects. Surveys and preliminary plans are prepared for new town sites and sub-divisions. In addition, Lands and Forests personnel collaborate with Municipal Affairs personnel in matters of road and boundary surveys.

*Department of Highways:* The Department of Lands and Forests reserves and disposes of public land for highway use and works with the Department of Highways on many road survey matters.

*Department of Mines:* Surveys Division personnel work with staff of this Department in planning access roads in mining areas.

*Department of Public Works:* All dam construction properties contemplated by the Department of Public Works are investigated from the point of view of design and effect on water levels.

*Department of Education:* Assistance is given to this Department in planning the use of public land for school purposes.

## *Organization of Government in Ontario*

*Hydro-Electric Power Commission of Ontario:* By reason of its authority over such matters as the regulation of water levels, the leasing of Crown water power sources, the design and construction of dams and the licensing of the use of public lands for water reservoirs and pipe lines, the Department holds certain powers of control over undertakings of the Ontario Hydro-Electric Power Commission. Since this is the case, the Department works closely with the Commission in connection with matters relating to land flooding, the effect of water levels and dam projects on fish and aquatic life, etc.

*Ontario Water Resources Commission:* The Department holds a measure of control over undertakings of the Ontario Water Resources Commission that is similar to that existing in the case of the Hydro-Electric Power Commission. In addition, it exercises control over the granting of water lots for water and sewer services.

### **Parks Division**

Under the provisions of *The Provincial Parks Act, 1958*, the Department maintains an extensive system of Provincial parks throughout the Province and, when considered appropriate, recommends to the Ontario Parks Integration Board, the acquisition of suitable land for new parks in sections not already being served adequately. Parks maintained by the Niagara Parks Commission and the Ontario St. Lawrence Development Commission are specifically excluded from the jurisdiction of the Department.

The Parks Division is a small headquarters unit responsible for planning the parks administration program and providing functional direction over the operation of parks. It maintains a staff that is engaged on designing park structures facilities and planning exhibits, etc. All matters relating to the actual construction, maintenance and supervision of the use of parks are handled by the Department's field organization.

*Ontario Parks Integration Board:* As was noted above, the Department is free to establish new parks only after such action has been approved by the Ontario Parks Integration Board. This agency is a five-man board composed of the Minister of Lands and Forests, the Minister of Planning and Development, the Provincial Treasurer, the Chairman of the Niagara Parks Commission and the Chairman of the Ontario St. Lawrence Development Commission.

The Board was established by *The Ontario Parks Integration Board*



## *Department of Lands and Forests*

*Act, 1956*, which gives it overall authority over the management of the existing parks of all Provincial agencies and over the acquisition of new parks. A four member advisory committee to the Board includes a Department of Lands and Forests representative.

### **Fish and Wild Life Division**

The Department's activities in the area of managing fish and wild life resources are carried out under the authority of two statutes. The first of these, *The Game and Fisheries Act*, authorizes the Minister to manage the wild life resources of the Province and to deal with matters relating to fish and fisheries that fall within the jurisdiction of the Province. The second statute, *The Wolf and Bear Bounty Act*, provides for the payment of a bounty for the killing of wolves and bears within prescribed areas and for control over the keeping of wolves and bears in captivity.

The Department carries on a management program that aims at the maintenance of an optimum level of sustained yield from the population of each specie of fish and wild life in the Province. In doing so it:

- makes regulations limiting the periods of the year during which individual specie may be taken and the bag or catch permitted.
- limits the number of persons who may engage in commercial fishing and trapping through licensing procedures and similarly limits fishing and hunting by non-residents. In the case of commercial fishing, comprehensive reporting of catches is also required and the information obtained is used for control purposes.
- establishes game and fish preserves.
- operates fish hatcheries and bird farms and distributes output from these facilities for restocking and specie development purposes.
- carries out studies for purposes of planning stock management programs.

It should be noted that, by Federal law, fishery resources are a matter of Federal government jurisdiction. However, in practice, control has been delegated to the Provincial government.

The Department's Fish and Wild Life Division is responsible for planning its management program, recommending conservation procedures, for operating its fish hatcheries and bird farms and conducting studies of fish and wild life development techniques. The enforcements of conservation and control regulations is a responsibility of the field organization of the Department.

## *Organization of Government in Ontario*

The Division works with the Department of Public Works in investigating the effect of contemplated dam conservation projects on fish and aquatic wild life, with the Department of Agriculture in supplying advice to farmers in respect to farm ponds and fish and wild life matters and with the Ontario Water Resources Commission in respect to problems of water pollution.

### **Forest Protection Division**

As was noted at an early point in this memorandum, the Department's expenditures in the area of forest protection during the fiscal year 1957-58 amounted to almost \$7,000,000. The Forest Protection Division is responsible for planning and generally supervising its activities in this area.

The major hazard to be dealt with is fire and the Division is primarily concerned with the establishment of regulations and educational programs aimed at the prevention of fire, the maintenance of facilities for fire detection, and for the provision of fire fighting personnel, equipment and supplies.

The Division and the Department's field organization carry out their fire protection work under provisions of *The Forest Fires Protection Act* in areas of the Province which by regulations issued under the Act are declared fire districts. The Act makes provisions relating to:

- the responsibilities of settlers, municipalities and all personnel operating in the woods to participate in the prevention, reporting and suppression of fires.
- the reduction of the causes of fire through the limitation, to persons authorized by permit, of the right to carry out various types of woods operations, to travel in designated areas and to light fires in the bush.

For use in carrying out an aerial fire detection program and for transporting fire fighting personnel, equipment and supplies, as well as to give general transportation service to other Departmental units, the Division maintains an Air Services Branch which currently operates a fleet of 46 aircraft. To meet the needs of emergency situations, and on other occasions if equipment is available, this Division also supplies air transport services to other Provincial departments.

The Department's complete fire prevention program involves joint activity by staffs of both the Division and the field organization, but when

fires occur the Division staff is responsible for directing the measures taken to suppress them.

## **Timber Division**

The task of planning and directing the management and use of the Province's Crown land timber resources and of sponsoring the development of municipal and private timber resources is the responsibility of the Timber Division.

The Division concludes all arrangements for the sale of cutting rights on Crown lands, authorizes specific cutting programs, establishes the procedures to be used for recording quantities of timber cut and for the collection of stumpage charges. Information concerning cutting quantities is in general obtained through the use of a procedure of licensing mills of all types and requiring the submission of reports on receipts of timber. All scalers engaged in measuring quantities of timber reported must be examined by and obtain licences from the Department.

The Department's policy in respect to management of cutting operations is designed to provide for the maintenance of a sustained yield from the public forests, after taking into consideration depletion resulting from contemplated cutting activity and forest fires. In order to establish an effective basis for administering the sale of cutting rights so as to accomplish that result, the Division plans and directs the conduct of a continuous program of inventorying the forests. It reviews and approves all proposed logging operations and directs the supervision of cutting methods with the object of requiring cutters to use methods which will promote natural regeneration and stand improvement. In the interest of opening up new producing areas, the Division also plans and arranges for supervision of the construction of access roads.

Toward the end of further developing and replenishing forest resources, the Division also plans and directs the carrying out of an extensive reforestation program. As part of that program the Department maintains tree nurseries and produces and distributes seed and nursery stock. The Division provides supervisory services over programs of reforestation of Crown lands and the management of demonstration forests as well as county, municipal and conservation authority forests. It also gives assistance to any organization or individual interested in reforestation.

In all of these matters the Division proper serves essentially as a planning and supervisory unit. Field administration of the control pro-



## *Organization of Government in Ontario*

grams undertaken and services supplied is handled by the Department's field organization.

The specific legislation governing the work directed by the Timber Division is contained in the following statutes:

*The Crown Timber Act, 1952:* This Act authorizes the granting of cutting rights to Crown timber by the Minister, calls for the licensing of mills, and the examination and licensing of scalers. It provides for the imposition of penalties on cutters who employ wasteful practices, on unauthorized cutting and for other contraventions of the Act.

*The Trees Act:* This Act empowers municipalities to pass by-laws for the protection of trees and for reforestation purposes, subject to the approval of the Minister.

*The Forestry Act:* This is the Act under which the Department operates its tree nurseries, establishes private forest reserves with the consent of land owners and enters into long-term agreements for reforestation of county and conservation authority forest areas.

*The Spruce Pulpwood Exportation Act:* This Act provides for the exportation, under Order-in-Council, of spruce pulpwood in cases where it may have been prohibited by special legislation.

The Department's work in this area leads to collaboration with other Provincial departments in a number of ways. Assistance and advice is supplied to the Department of Planning and Development in connection with conservation matters. The Department of Highways is supplied with trees for use in highway planting. Advice for farmers in connection with farm forestry is supplied to the Department of Agriculture. Through the Department of Reform Institutions, prison labour is obtained for tree planting and cutting operations. The Workmen's Compensation Board is supplied regularly with information concerning all logging activities being carried on in the Province.

## **Other Headquarters Divisions and Sections**

As was stated earlier in this memorandum, the remaining headquarters divisions and sections which consist of Law, Personnel, Research, Accounting and Operations are primarily internal service units and do not have specific administrative assignments in connection with the legislation governing the Department's activities. The only exception to this occurs in the case of the Accounting Division. In addition to providing services for the collection of revenues accruing from the various sources previously de-

## *Department of Lands and Forests*

scribed, this Division is responsible directly for determining and collecting revenues as provided for in the following two statutes:

*The Provincial Land Tax Act:* This Act gives the Province authority to assess, levy and collect taxes in unorganized areas. It provides for the appointment of a Land Tax Collector and empowers him to review assessments submitted by land owners, to alter or vary them as he considers appropriate and to determine whether an owner may be exempted from tax as a bona-fide farmer. Decisions of the Collector can be appealed to a Court of Revision.

*The Railway Fire Charge Act:* Under this Act, charges for fire protection purposes may be assessed against land in unorganized areas granted by the Crown as railway lands. The Minister may apportion such charges between the owner and tenant of railway lands and exempt both charges on land used for agriculture. The powers are exercised by the Land Tax Collector appointed by provision of *The Provincial Land Tax Act*.

### **Addendum, August, 1959**

At the time that the present Minister of Lands and Forests changed from his former portfolio of Minister of Mines, the Ontario Fuel Board was also transferred, so that it now reports to him in his capacity of Minister of Lands and Forests.

One other minor change that has occurred since the submission of our original memorandum on this Department in November, 1958, is the transfer of the revenue derived from Water Power Leases to the Treasury Department. Previously it appeared as part of the Ordinary Revenue of the Department of Lands and Forests.

# Organization of Government in Ontario

## DEPARTMENT OF LANDS AND FORESTS EXHIBIT 1

### REVENUE

	<i>Budget</i> <u>1957-58</u>	<i>Actual</i> <u>1957-58</u>	<i>Budget</i> <u>1958-59</u>
ORDINARY REVENUE			
<i>Accounts</i>			
Water power leases	\$ 1,600,000	\$ 1,626,974.92	\$ 1,960,000
Land tax	785,000	810,465.62	820,000
Casual fees	59,550	62,225.41	67,000
Long Lac Diversion Annuity	15,450	15,450.00	—
<i>Air Service</i>			
Miscellaneous	15,000	13,392.59	10,000
<i>Fish and Wild Life</i>			
Licences, royalties and sundry	4,350,000	4,434,531.48	4,400,000
<i>Forest Protection</i>			
Recovery of fire fighting costs & sundry	60,000	76,874.63	40,000
<i>Lands</i>			
Crown land leases & licences of occupation	240,000	264,851.96	260,000
Miscellaneous	12,000	12,364.21	10,000
<i>Parks</i>			
Park rentals	63,000	51,066.48	43,000
Miscellaneous (vehicle entrance fees, etc.)	240,000	244,333.35	250,000
<i>Reforestation</i>			
Sale of trees	160,000	146,173.44	175,000
<i>Timber Management</i>			
Timber dues, bonus and sundry	<u>14,500,000</u>	<u>14,431,008.39</u>	<u>12,500,000</u>
<i>Total Ordinary Revenue</i>	<u>\$22,100,000</u>	<u>\$22,189,712.48</u>	<u>\$20,535,000</u>
CAPITAL RECEIPTS			
<i>Lands</i>			
Land sales	350,000	358,426.76	380,000
<i>Timber Management</i>			
Logging roads	<u>75,000</u>	<u>132,291.20</u>	<u>60,000</u>
<i>Total Capital Receipts</i>	<u>\$ 425,000</u>	<u>\$ 490,717.96</u>	<u>\$ 440,000</u>



## Department of Lands and Forests

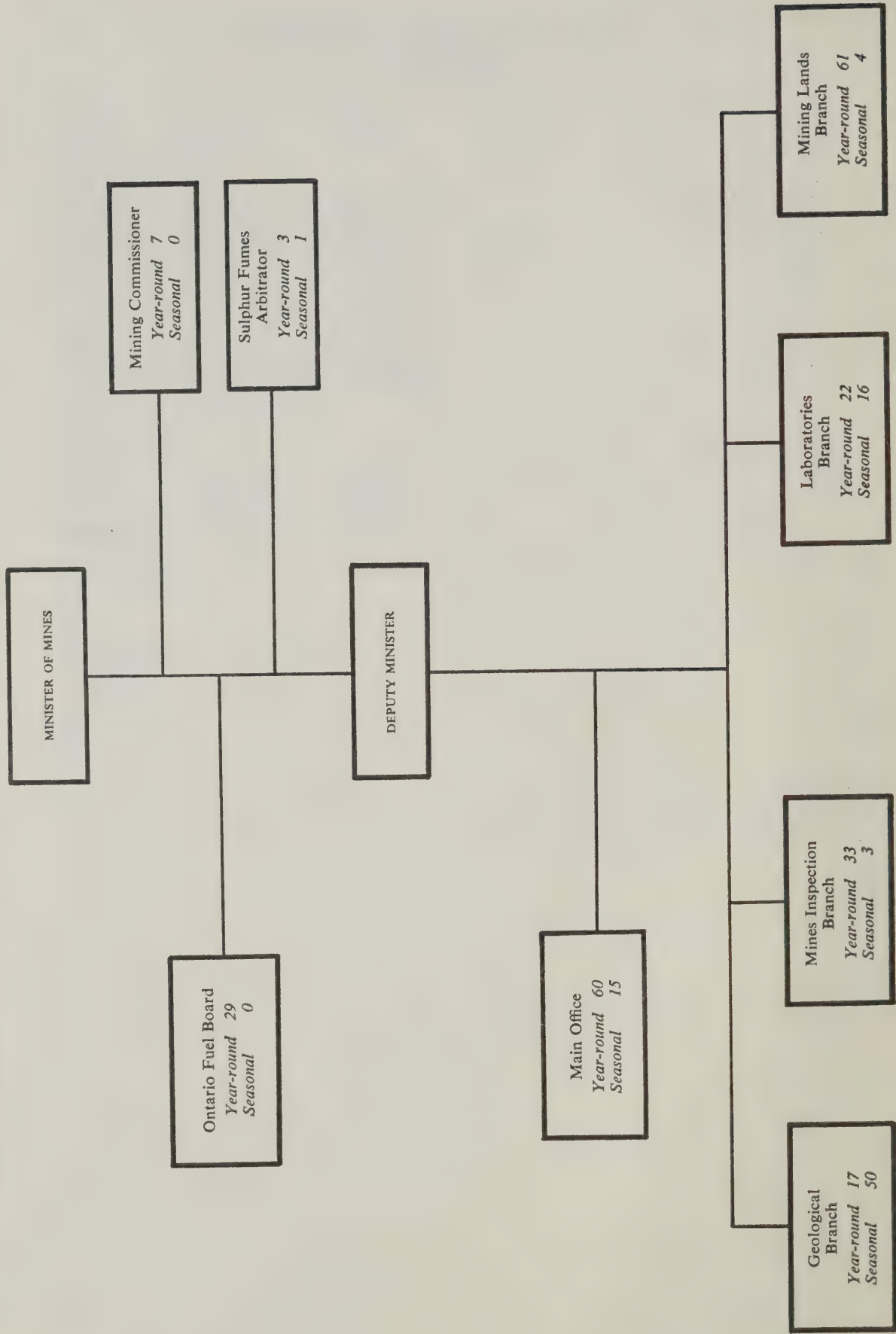
### DEPARTMENT OF LANDS AND FORESTS EXHIBIT 2

#### EXPENDITURE

	<i>Budget</i> <i>1957-58</i>	<i>Actual</i> <i>1957-58</i>	<i>Budget</i> <i>1958-59</i>
ORDINARY EXPENDITURE			
Fish and Wild Life	\$ 3,670,000	\$ 3,552,711.44	\$ 4,247,000
Forest Protection	7,605,000	6,838,912.98	7,941,000
Lands	951,000	907,619.78	1,124,000
Parks	1,050,000	1,422,014.66	1,404,000
Reforestation	2,840,000	2,686,257.69	3,141,000
Timber Management	3,572,000	3,326,066.07	3,796,000
<i>Total Ordinary Expenditure</i>	<u>\$19,688,000</u>	<u>\$18,733,582.62</u>	<u>\$21,653,000</u>
CAPITAL DISBURSEMENTS			
Forest Protection	—	—	500,000
Parks	—	—	3,000,000
Timber Management	300,000	280,550.13	300,000
<i>Total Capital Disbursements</i>	<u>\$ 300,000</u>	<u>\$ 280,550.13</u>	<u>\$ 3,800,000</u>

PROVINCE OF ONTARIO

Plan of organization of the Department of Mines and related boards, commissions and like agencies



## 10. Department of Mines

THE DEPARTMENT OF MINES is responsible for the administration of the Provincial legislation pertaining to the mining industry, the collection of revenues as provided for in *The Mining Tax Act* and *The Mining Act*, and for supplying advice and assistance to those engaged in this industry.

As of July, 1958, the Department of Mines employed a staff of 321, consisting of 183 permanent, 49 temporary and 89 casual employees. Most of these casual employees are geologists and student assistants engaged on geological field work in the summer months. Thus the number of casual staff is considerably reduced during the remainder of the year.

The general plan of organization under which the Department operates is shown in chart form facing this page. The chart sets out the major organizational units of the Department and indicates the approximate number of employees associated with the work of each unit. It also indicates the boards and like agencies that are associated with its fields of activity.

In the 1957-58 fiscal year, the ordinary revenue of the Department amounted to some \$11,200,000 while the ordinary expenditure in the same period totalled approximately \$1,600,000. Capital disbursements during this period for the construction of mining and access roads amounted to a little over \$1,200,000.

The operations and interests of the Department are outlined under headings that deal separately with its responsibilities and services, the legislation relating to its operations, the boards and like agencies associated with it and the relationships existing between its operations and those of other departments and agencies.

### Responsibilities and Services of the Department

The responsibilities of the Department and the services that it renders fall into four general categories as follows:



## *Organization of Government in Ontario*

*Exploration for Resources:* To provide information which will encourage detailed exploration work leading to the development of the mineral resources of the Province, the Department maintains a Geological Branch made up of a headquarters staff supplemented by Resident Geologists stationed at five of the principal mining centres in Ontario.

The headquarters staff carry out geological and geophysical surveys in areas of the Province where the existence of mineral resources can be anticipated. When mineralization is encountered, the Branch maps the location of the mineral deposits and prepares reports covering this field work. It also appraises geological and geophysical maps and reports submitted by outside individuals or organizations for assessment work credit, identifies rock and mineral specimens and holds classes of instruction for inspectors.

*Administration of Resource Development:* A number of Acts give the Department jurisdiction over the administration of activities associated with the development of mineral resource discoveries. It discharges its responsibilities in this area through the Mining Lands Branch which deals with the following matters:

- issuing mining licences and renewals.
- issuing patents and other instruments of title to mining lands when the required amount of work has been done in developing the claims on the lands.
- operating Mining Recorders' offices to record claims and the status of the work being done on the claims.
- preparing claim maps and examining and approving claim surveys.
- preparing lists and descriptions of all mining lands and mining rights subject to acreage tax and forfeiture.
- controlling the removal of sand and gravel from Crown lands and collecting royalties on such operations.

The Department also provides assistance to those concerned with opening up and developing potential or proven mineral resources through its Laboratories Branch which operates a Provincial assay office and a testing laboratory at Timiskaming. This Laboratory provides a means of testing ores and other metallurgical products of the area. It also purchases gold ore from small producers to make funds available to such producers to assist in the development of their properties.

*Assessment and Collection of Revenues:* Through the provisions of

## *Department of Mines*

*The Mining Tax Act* and *The Mining Act*, the Department of Mines is empowered to assess and collect revenues from a variety of sources, all related to mining or quarrying operations and the production of natural gas. The principal types of revenue are as follows:

- a tax on the profits of mining operations assessed on the basis of the value of the ore at the pit mouth less the expenses of mining the ore.
- a tax on the amount of natural gas produced by a company.
- an acreage tax on mining claims that have been patented under *The Mining Act*.
- other sundry revenues such as rentals on lands that have been leased rather than patented, fees for licences issued to prospectors, fees for recording claims, etc.

The work related to the assessing and collecting of revenues from these sources is handled by staff in both the Main Office unit and the Mining Lands Branch of the Department.

*Enforcement of Safety Measures:* Through the staff of the Mines Inspection Branch, the Department conducts regular examinations of all operating mines, quarries, gravel pits and metallurgical works, to enforce those provisions of *The Mining Act* designed to protect personnel employed in the mining industry. This work is carried out through district engineers located in seven of the principal mining centres in Ontario.

A related responsibility of the Branch is the supervision of mine rescue stations located in various mining communities throughout the Province and the operation of a cable testing laboratory.

## **Legislation Relating to Operations of the Department**

The principal legislation providing for the activities of the Department and the more important features of such legislation are as follows:

*The Department of Mines Act:* This Act provides for the establishment of a Department of Mines and sets out certain of its responsibilities and powers as outlined previously in this section.

*The Mining Tax Act:* This Act makes provision for the assessment and collection of royalties payable to the Province on the extraction of minerals. The Department has wide powers under the Act but its assessments are subject to appeal to the Mining Commissioner or the Ontario Municipal Board.

*The Mining Act:* Through the provisions of this Act, the Depart-

## *Organization of Government in Ontario*

ment derives broad powers of control over mining operations in the Province. Powers are given to the Minister to issue, revoke or suspend quarry permits and also miners' licences. The latter must be obtained in order to stake or hold mining claims. The Minister also issues, and under certain conditions may cancel, leases to mining properties on Crown lands. There is no provision for appeal on cancellation. Some of the other principal powers granted under the statute are:

- to approve certain methods of carrying out assessment work.
- when issuing patents or leases on mining claims, to reserve such surface rights as are deemed necessary for any purposes other than mining.
- to determine the royalties payable under quarry permits.
- to issue, renew or revoke refinery licences. "Refinery" here refers to operations engaged in recovering (by smelting, etc.) gold, platinum, silver, or any other precious metal.

*The Beach Protection Act:* This Act gives the Department of Mines the power to license the removal of sand and gravel from the beds and beaches of lakes and rivers in the Province, to control dredging operations for the removal of sand and gravel, and to fix royalty rates for these operations. It specifies that the royalty to be charged for sand and gravel removed shall be fixed by the Minister according to the location, type, availability and accessibility of such sand or gravel.

*Section 59 of the Public Lands Act:* This Section provides that, in the case of lands granted prior to May 6th, 1913, rights to the mines and minerals are now considered to have been included in the original patent, providing the Crown had not otherwise disposed of such rights prior to that date.

In the case of land granted under *The Public Lands Act* since May 6th, 1913, the grantee receives the rights to the minerals unless they are specifically excluded in the Letters Patent.

The policy of the Department of Lands and Forests, who are responsible for the disposition of public lands, has varied during the period since 1913 as to whether mining rights should or should not be included. At the present time they are not included.

*The Canada Company's Lands Act:* The Canada Company was a Crown agency formed for the purpose of bringing British settlers into Upper Canada and placing them on the land. The Company acquired vast tracts from the Province at a nominal price. These lands were sold to set-



tlers and in some cases mining rights passed to the settlers with the sale, but in other cases the Company retained those rights.

Toward the end of the First World War, the Province became aware of this situation and the question of liability on the part of the Company for assessment of mining tax on the rights it had retained came under consideration. The Province and the Commissioners of the Canada Company reached an agreement on October 1, 1919, whereby the Company agreed to turn over to the Province as represented by the Minister of Mines all its interest in the mines and minerals listed in a large schedule, provided the Province released the Company from all liability for taxation in respect of the said mineral rights, and further, providing that the Province would undertake to dispose of the said mines and minerals to the owners of the surface rights on proof of ownership and on payment of a price of 25c per acre. This agreement was confirmed by *The Canada Company's Lands Act* which was passed in 1922.

A further Bill was passed in 1923 which provided that the Company could surrender additional mining rights from time to time. The last such surrender took place in 1947, and it is doubtful if there will be any further surrenders since the remaining assets of the Company have apparently been sold to a United States company.

Other amendments that have been passed throughout the years provided for a survey in cases where the Department is unable to identify the lands, and also an increase in the purchase price from 25c per acre to \$1.00 per acre with a minimum of \$25.00 for any parcel.

Under the agreement with The Canada Company, the Province cannot dispose of these mining rights except to the surface owners and it would therefore appear that the Province is merely holding the mining rights as trustees. There are still thousands of acres of mining rights held under this arrangement. The Department issues from 25 to 200 grants per year under this legislation.

## **Boards, Commissions and Like Agencies**

Four boards or like agencies report to the Minister of Mines. Three of these are of the type that we have termed non-subsidary. These are the Mining Commissioner, the Sulphur Fumes Arbitrator and the Ontario Fuel Board. The fourth, the Sulphur Dioxide Committee, is of the advisory type. They are listed below with a brief outline of their functions.

*Mining Commissioner:* appointed by the Lieutenant-Governor in

## *Organization of Government in Ontario*

Council on the recommendation of the Minister of Mines under provision of *The Mining Act*. The Commissioner hears and adjudicates upon all disputes affecting mining claims, as well as appeals from assessments made by the Mine Assessor. He may grant extensions of time for the performance of working conditions and other requirements of *The Mining Act*. He has the authority to grant easements and confer rights where required for the proper working of a mine over lands not owned by the mine owner.

The Mining Commissioner may also vest the interest of a co-owner of mining lands, who has failed to pay his proportionate share of rentals or taxes, in the other co-owner(s) who has paid the same.

Although the decisions of the Mining Commissioner are not subject to review by the Minister of Mines, the work of his office is considered an integral part of the Department's operations and, for administrative purposes, he is responsible to the Deputy Minister. This also applies to the office of the Sulphur Fumes Arbitrator, whose responsibilities are described in the following paragraphs.

*Sulphur Fumes Arbitrator*: appointed by the Lieutenant-Governor in Council on the recommendation of the Minister of Mines and is responsible for administering *The Sulphur Fumes Arbitration Act* of 1924 under the direction of the Minister of Mines. This involves dealing with claims against mining companies for damages to crops resulting from fumes produced by mining operations where a voluntary settlement has not been reached. Although the Minister is responsible for the administration of the Act, decisions of the Arbitrator are not reviewed by him but can be appealed to the Ontario Municipal Board.

Prior to the introduction of legislation setting up this Act, there was no recourse for farmers and other settlers, whose crops were damaged through the production of sulphur fumes, other than through the courts. The Act merely provides a quick and inexpensive method of reimbursing farmers in the Sudbury area, to compensate them for damage to their crops, etc. It originally applied only to the nickel-copper industry but has since been extended to cover fumes from the production of iron ore and the manufacture of sulphur and sulphuric acid.

*Ontario Fuel Board*: consists of five members appointed by the Lieutenant-Governor in Council on the recommendation of the Minister of Mines. The Board is responsible for administering *The Ontario Fuel Board Act, 1954*. The Act provides for the control of the production, transmission, distribution and sale of natural gas and petroleum in Ontario.

The responsibilities of the Board include the regulation of drilling,



## *Department of Mines*

oil well operation, the production and distribution of gas, and the installation of appliances using a fuel coming within the terms of the Act. It is also responsible for fixing the retail price of all natural gas.

*Sulphur Dioxide Committee:* This Committee is made up of representatives from the Department of Lands and Forests and the Department of Mines, two representatives from the nickel companies and the Sulphur Fumes Arbitrator, who is Chairman of the Committee. The Committee was established to conduct studies into the effect of sulphur fumes on forest vegetation. One-half of the cost of the Committee is paid by the nickel companies and the other half by the Department of Mines.

### **Relationships with Other Provincial Departments and Outside Boards, Commissions and Like Agencies**

The responsibilities and work of the Department require it to maintain close working relationships with a number of other departments and agencies. The nature of these relationships is outlined below.

*Department of Lands and Forests:* The Department of Mines must work closely with the Department of Lands and Forests in connection with the disposal of Crown lands under *The Mining Act*. The staff of the Department of Mines has full access to the files dealing with Crown lands maintained by the Department of Lands and Forests. Legislation affecting the status of Crown lands prepared by one Department is thoroughly discussed with the officials of the other Department before being presented as bills to the Legislature.

The problem of damage to timber and forest by sulphur fumes emanating from the nickel and iron ores being smelted or sintered as well as from the manufacture of sulphuric acid from sulphides has been under study in co-operation with the Forestry Division of the Department of Lands and Forests since 1944. The Departments co-operate in undertaking chemical analyses of the air, foliage and the soil in the areas affected.

*Mining and Access Roads Committee:* This Committee is composed of the Ministers of Mines, Lands and Forests, Public Works and Highways. It is responsible for deciding on the location of, and expenditures made in connection with, mining and access roads in the Province.

*Mining Town Site Sub-Committee:* The Department of Mines collaborates with the Department of Lands and Forests, the Department of Planning and Development and the Department of Municipal Affairs through the Mining Town Site Sub-Committee in investigating and recom-



## *Organization of Government in Ontario*

mending on all phases of planning and establishing mining town sites in Northern Ontario.

*Department of Health:* The Sulphur Fumes Arbitrator has assisted the Air Pollution Control Division of the Department of Health in investigating the extent of pollution, from a standpoint of health, due to the presence of sulphur dioxide in the air.

*Department of Municipal Affairs:* The Department of Mines provides mine profit assessments to the Department of Municipal Affairs for its use in determining payments to designated mining municipalities.

*Ontario Water Resources Commission:* The Department of Mines is represented on the Technical Advisory Sub-Committee of the Water Resources Commission to assist the Commission in giving consideration to problems resulting from pollution caused by mine waste.

*Ontario Securities Commission:* The Deputy Minister of Mines is a member of this Commission and attends all hearings of appeals against the decision of the Chairman as well as certain hearings requiring the attendance of the full Board. He provides technical information in the matter of mining securities, particularly with respect to a prospectus issued by a mining company.

*Treasury Board:* Before the Department of Mines can establish royalties or other types of revenue not specifically covered by *The Mining Act*, it must obtain the approval of the Treasury Board. However, this does not apply to a gravel pit type of operation where the Department has the power to set its own royalties.

### **Addendum, August, 1959**

When the former Minister of Mines changed portfolios in the latter half of 1958 to become Minister of Lands and Forests, the Ontario Fuel Board, which had reported to him in his former capacity, was transferred at the same time. Thus, at present, this Board reports to the Minister of Lands and Forests.

# Department of Mines

## DEPARTMENT OF MINES EXHIBIT 1

### REVENUE

	<i>Budget</i> <i>1957-58</i>	<i>Actual</i> <i>1957-58</i>	<i>Budget</i> <i>1958-59</i>
Mining tax	\$16,200,000.00	\$ 9,611,946.20	\$14,118,000.00
Other taxes	190,000.00	195,497.73	205,000.00
Fees	899,500.00	556,456.81	556,000.00
Other	516,500.00	813,131.87	752,000.00
<i>Total</i>	<i>\$17,806,000.00</i>	<i>\$11,177,032.61</i>	<i>\$15,631,000.00</i>

## DEPARTMENT OF MINES EXHIBIT 2

### EXPENDITURE

	<i>Budget</i> <i>1957-58</i>	<i>Actual</i> <i>1957-58</i>	<i>Budget</i> <i>1958-59</i>
ORDINARY EXPENDITURE			
Main Office	\$ 490,000.00	\$ 490,468.85	\$ 492,000.00
Geological Branch	307,000.00	238,972.93	320,000.00
Mines Inspection Branch	206,000.00	196,663.04	225,000.00
Laboratories Branch	224,000.00	195,432.85	189,000.00
Mining Lands Branch	314,000.00	286,395.83	318,000.00
Ontario Fuel Board	235,000.00	162,356.29	193,000.00
<i>Total</i>	<i>\$1,776,000.00</i>	<i>\$1,570,289.79</i>	<i>\$1,737,000.00</i>
CAPITAL DISBURSEMENTS			
Construction of mining and access roads	\$1,000,000.00	\$1,247,334.57	\$1,000,000.00

## 11. Department of Municipal Affairs

THE DEPARTMENT OF MUNICIPAL AFFAIRS is responsible for generally guiding and directing the administration of all municipal corporations and institutions in the Province. In addition it divides with the Ontario Municipal Board certain powers of control over the conduct of the affairs of a municipality and over its undertakings.

Many acts of the Legislature include provisions which deal with the establishment and operation of municipal corporations and institutions, grant them powers to provide services and carry out undertakings in the general interest of a community and define means by which they shall obtain funds for the financing of such services and undertakings. The separate fields of responsibility assigned to the Department and to the Ontario Municipal Board by legislation may be stated in broad terms as follows:

The Department is responsible for:

- exercising general oversight over the procedures that individual municipalities employ in developing their local programs.
- taking steps to ensure that such programs are carried out in accordance with the provisions of the enabling legislation.
- in particular circumstances, assuming responsibility for actual direction of the administration of the municipality.

The functions of the Ontario Municipal Board are quasi-judicial in nature. It is responsible for:

- examining into and, where appropriate, approving applications for the formation of or changes in the structure of municipal corporations and institutions.



## *Department of Municipal Affairs*

- by statute, or on the request of a municipality, acting as official arbitrator in the settlement of disputes between different municipalities, municipalities and individuals or municipalities and the Department.
- by exercising control over the powers of any municipality to incur new debt, ensuring that when municipalities commit themselves to new undertakings they limit their financial obligations to sums which can be met from future municipal revenues.

As of July, 1958, the staff of the Department numbered approximately 120 employees and that of the Ontario Municipal Board approximately 45 employees. From the point of view of its decision-making powers and its operations the Board is independent of the Department but the Department provides certain limited procedural services to the Board.

The plan of organization through which the Department deals with its activities is shown in the chart overleaf. The chart indicates the different branch units that have been established within the Department as well as the number of employees associated with each of its separate units.

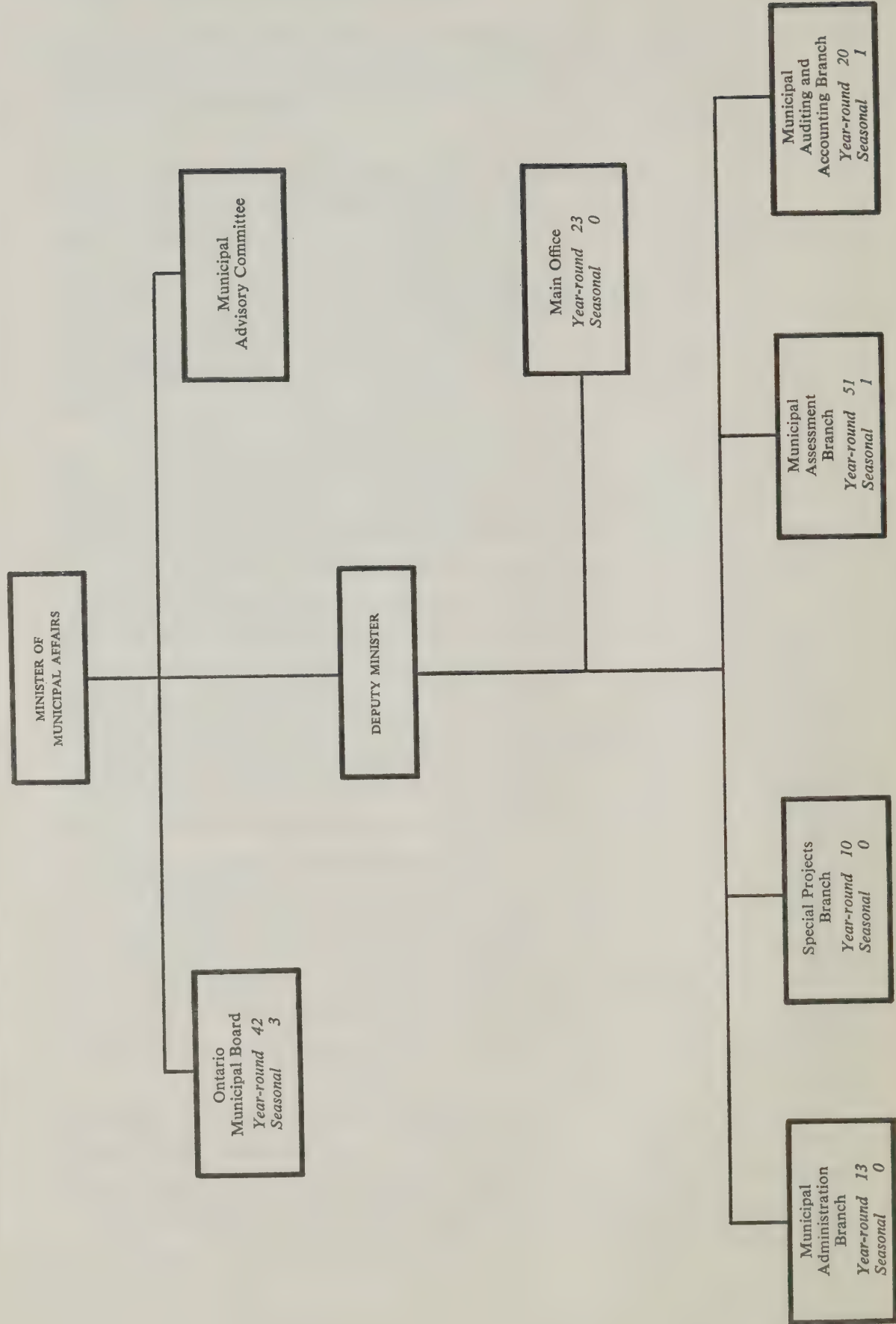
The combined ordinary revenues of the Department and the Board during the fiscal year 1957-58 amounted to approximately \$300,000 with the source being almost entirely fees charged by the Board. Ordinary expenditures in the same period totalled some \$24,700,000. Of that amount, about \$23,000,000 represented grants made to municipalities by the Province. Disbursements on capital account during this period amounted to almost \$9,000,000, of which about \$7,400,000 was paid to the Hydro-Electric Power Commission of Ontario as a 50% contribution toward the costs of construction of certain power lines in townships and rural municipalities. In the current year these payments are not being administered by the Department. The remainder of the capital disbursements consisted of advances to newly constituted municipal districts to help those districts finance capital facilities during the early stages of their development. Advances of this type are repayable by the districts. A breakdown of revenues by source and expenditures by Branch will be found in Exhibits 1 and 2 following this memorandum.

We review the main activities of the Department and of the Board under the following series of headings. In doing so we also note the principal statutes which govern the work carried on by the Department in each area of activity and indicate in broad terms the features of these statutes.

### **General Direction of Municipal Administration**

# PROVINCE OF ONTARIO

*Plan of organization of the Department of Municipal Affairs and related boards, commissions and like agencies*



NOTE: Figures appearing on this chart indicate approximate size of staffs employed in the different branch units of the Department. Separate figures are used to show year-round and seasonal employees.

## *Department of Municipal Affairs*

General Oversight of Assessment

Supervision of Financial Reporting and Administration of Grants  
to Municipalities

Miscellaneous Services

Related Agencies

### **General Direction of Municipal Administration**

The Department carries out a program designed to give general direction to the conduct of municipal administration in the Province under the provisions of two main statutes. These are *The Department of Municipal Affairs Act*, which establishes the Department, and *The Municipal Act*. *The Municipal Act* prescribes the frame-work of municipal organization in the Province and defines many of the powers and responsibilities assigned to municipal corporations.

Included in these Acts are provisions which enable the Department to regulate and control the administration of any municipality in a number of ways. Some of the regulatory powers assigned to the Department are outlined below:

- it may prescribe and regulate the procedures, forms, etc. that are used in a municipality's system of accounting, auditing and assessment.
- it may prescribe the form of financial statements and estimates that are prepared and the types of financial revenues permitted.
- it may approve the remuneration paid to certain municipal personnel such as members of council in municipalities having a population of less than 200,000, members of school boards, etc.
- it may require a municipality to adopt recommendations arising from an audit of its financial accounts.
- on an order of the Ontario Municipal Board it may be required to take over direct control of the administration of all the affairs of a defaulting municipality.
- on an order of the Ontario Municipal Board it may be required to take over partial oversight of a new municipality for a limited period.
- on the erection of an Improvement District by order of the Ontario



## *Organization of Government in Ontario*

Municipal Board it is required to supervise administration of the district.

In practice the Department seldom uses, in a direct way, the powers listed above that are applicable to all municipalities. However, by reason of the fact that such powers exist, a situation is created in which municipalities, particularly those that are relatively small or relatively new, commonly seek assistance and advice from the Department concerning administrative matters of all kinds. To meet the demands for such assistance, the Department maintains two branch units which supply a general advisory service to municipalities and, in cases where it is necessary, undertake direct supervision of the administration of a municipality. The two Branches are the Municipal Administration Branch and the Special Projects Branch.

The Municipal Administration Branch supplies a broad advisory service to all municipalities and, in respect to some matters requiring Departmental approval, arranges for the preparation and processing of appropriate submissions by municipalities.

The Special Projects Branch supplies a comprehensive advisory and supervisory service to municipalities in which unusual circumstances are creating problems that require specialized and continuing assistance. Current examples of municipalities that are receiving this type of assistance from the Branch are the new and rapidly growing municipalities of Elliot Lake, Espanola and Deep River.

Municipalities that are designated as mining municipalities, and thereby qualify for assistance grants based in part upon mines profits, are required by regulations under *The Assessment Act* to submit all matters involving the financial affairs of the municipality to the Department for approval. Both Branches deal with the Department's general responsibility in connection with such municipalities.

Both Branches are responsible for supervising directly the affairs of many of the small, newly constituted municipal organizations identified as Improvement Districts until they achieve a change in corporate status. An Improvement District is formed by order of the Ontario Municipal Board for an area which must have a population of not less than 50 persons. It ceases to be an Improvement District when ordered by the Ontario Municipal Board to have the status of a village, town or township.

All designated mining municipalities and school boards in unorganized territories to which grants based on mine profits are provided are required to submit their budgets and certain by-laws to the Department for

## *Department of Municipal Affairs*

approval. The responsibility for reviewing such budgets is shared by the two Branches.

In carrying on their work, the two Branches deal not only with matters of administration arising from the provisions of *The Municipal Act* and *The Department of Municipal Affairs Act*. They also guide and direct the individual municipalities in respect to the wide variety of matters which are associated with statutes dealing with specialized areas of municipal activities. The principal statutes concerned are the following:

*The Municipal Franchises Act*

*The Public Utilities Act*

Each of these Acts relates to municipal activities connected with the provision and administration of public utility services.

*The Local Improvement Act*

*The Ditches and Watercourses Act*

*The Municipal Drainage Act*

These Acts provide for the construction of improvements and the allocation of the costs of construction to those benefiting from such improvements.

*The Municipal Housing Act*

*The Ontario Housing Act*

Provide for the erecting of dwellings for the use of special classes of occupants and for the financing of construction costs through funds obtained by municipal debenture borrowings.

*The Public Parks Act*

Provides for the establishment of boards of park management and defines their powers, responsibilities and methods of financing.

*The Statute Labour Act*

*The Line Fences Act*

*The Snow Roads and Fences Act*

*The Pounds Act*

*The Vacant Land Cultivation Act*

This miscellaneous set of Acts deals with the various matters indicated by the titles of the statutes.

*The Wharfs and Harbours Act*

Authorizes municipalities to acquire and hold shares in a company which is going to construct a pier or wharf, drydock or marine railway in

## *Organization of Government in Ontario*

the municipality and to purchase the undertaking and assets of such a company.

### *The Municipal Arbitration Act*

Provides for settlement of disputes concerning compensation for land expropriated or injuriously affected under provisions of *The Municipal Act* as well as claims under any lease or contract to which a municipal corporation is a party.

### *The Municipal Corporation Quieting Orders Act*

Authorizes the Ontario Municipal Board, on application of a municipality or the Department, to issue an order establishing the legal existence or corporate status of a municipality or establishing its proper boundaries to quiet doubts about their location.

### *The Fire Extinguishment Act*

### *The Fire Guardians Act*

### *The Firemen's Exemption Act*

Set out the powers of a municipality with respect to fire protection in its general area.

## **General Oversight of Assessment**

A municipality's powers to make assessments and to levy and collect taxes for municipal purposes on the basis of assessed values are established by provisions of *The Assessment Act*. Through the Department's Municipal Assessment Branch, municipal councils and local and county assessors are provided with advice and direction concerning all matters relating to assessment procedures and to the requirements of the Act. In addition, the Branch is responsible for:

- exercising certain controls over the assessment practices of municipalities.
- establishing values to be placed upon Provincial and Hydro-Electric Power Commission of Ontario properties located in any municipality.
- developing a basis for equalizing assessed values between different municipalities.

Provisions of *The Department of Municipal Affairs Act* and *The Assessment Act* require that municipalities obtain approval from the Department for their actions in connection with a variety of assessment mat-



## *Department of Municipal Affairs*

ters. The more important matters for which approval is required are the following:

- the appointment of county and district assessors.
- any extension of time allowed for returning the assessment roll of a municipality.
- any extension of time allowed for receipt of reports from a county assessor on equalization of assessments or for disposing of assessment appeals.

Under provisions of *The Municipal Tax Assistance Act*, grants are made to the municipalities on the basis of the value of Provincial Government property located in a municipality, with the valuation being determined by the Department. The Municipal Assessment Branch is responsible for establishing the required property values. Similarly, the Branch is responsible for establishing values of any properties of the Hydro-Electric Power Commission of Ontario coming within the scope of *The Power Commission Act*.

As was indicated above, the Branch is also responsible for developing a basis upon which assessments made by individual municipalities can be equalized to provide a common measure of assessed property values between different municipalities. This is done for several purposes. The basis established by the Branch is used to determine the amounts of school grants to be paid to individual municipalities by the Province. It is used to determine the distribution of mining revenue grants between mining municipalities and to apportion Home for the Aged costs between municipalities in Northern Ontario. On matters of equalization, *The Assessment Act* gives a municipality the right to appeal the Department's rulings to the Ontario Municipal Board.

### **Supervision of Financial Reporting and Administration of Grants to Municipalities**

The Department's Municipal Auditing and Accounting Branch is responsible for exercising certain broad controls over the accounting practices of all Ontario municipalities and for administering the payment of grants made from the Provincial Treasury for general municipal purposes.

The Branch maintains a general control over accounting practices through powers assigned to the Department by *The Municipal Act*. This Act provides that municipal statements must be audited by auditors who

## *Organization of Government in Ontario*

have been licensed by the Department. The Branch is responsible for the issuing of such licences after examining into the qualifications of applicants. *The Municipal Act* also authorizes the Department to require each municipality to submit to it annually an audited financial statement. The Branch reviews these statements and brings to the attention of the auditor of the municipality and the other Branches of the Department any condition that is considered to be unsatisfactory. From the audited statements of the individual municipalities it compiles information for publication in the Department's annual report of municipal statistics.

In addition to performing the above functions, the Municipal Auditing and Accounting Branch is responsible for dealing with the payment of all grants made by the Province to municipalities under statutes administered by the Department. Currently grants are being made under three Acts. The Acts and the nature of the grants for which they provide are indicated below.

### *The Municipal Tax Assistance Act*

This Act provides for the payment to a municipality, in any year, of a sum equal to the general purpose tax that would be levied on provincially-owned property other than property in certain specifically excluded classes. As has been indicated earlier in this memorandum, the assessment value to be used for determining the equivalent general purpose tax amount in any case is determined under the Act by the Department.

The decision as to whether a particular property is of a class that qualifies for payment of a grant under the Act rests entirely with the Minister. Assessed valuations may be appealed to the Ontario Municipal Board, however.

### *The Municipal Unconditional Grants Act*

This Act provides for the payment of annual grants to municipalities on the basis of statutory rates per capita. The per capita rates increase with increases in population size. The Act makes the Department responsible for determining the population figures that will be used. An appeal can be made to the Minister in any case but his decision is final.

### *The Municipal Subsidies Adjustment Act*

This Act provides for an adjustment of the grant to be paid to a municipality when it is in whole or part annexed to an urban municipality.

### *The Police Act*

### *The Fire Department Act*

These Acts provide for the payment to any municipality of annual

## *Department of Municipal Affairs*

grants in respect to the costs it incurs in operating a police or fire department. The amount of the grants is in both cases 25% of the costs of workmen's compensation coverage and contributions to an employee pension plan, resulting from the operation of these departments.

### **Miscellaneous Services**

The Department supplies a variety of services to the general public and to other departments in connection with matters of municipal administration and affairs.

Under a provision of *The Department of Municipal Affairs Act*, it is empowered to collect, analyze and record such statistical and other information relating to the financial and other affairs of municipalities as may be useful. In accordance with this provision it obtains comprehensive annual reports from the municipalities and publishes the information that is obtained each year.

The Department collaborates with a number of other departments in planning the locations of certain types of public facilities in new town sites. It works with the Department of Education in connection with the location of schools, with the Department of Highways concerning highways and access roads, with the Department of Mines regarding the location of mine buildings and with the Department of Planning and Development on matters of actual town site location. For the purpose of assuring close liaison between departments in the planning and creation of new town sites, a Cabinet committee has been formed to co-ordinate activities in this area. A representative of the Department is one of four members of this committee's administrative sub-committee.

The Department also handles certain work on behalf of the Ontario Municipal Improvement Corporation which is a Provincial agency reporting to the Provincial Treasurer. That Corporation's purpose is to purchase debentures issued for one or more of several specified purposes by municipalities or school boards that have not reached a stage of development that enables them to borrow from private lenders at reasonable terms. It is controlled by a four-member Board made up of two representatives of the Treasury Department, a representative of the Municipal Affairs Department and a fourth member who is a retired civil servant. All work connected with the processing of applications is dealt with by personnel of the Department of Municipal Affairs. The record keeping and collection functions are handled by the Treasury Department.



## *Organization of Government in Ontario*

### **Related Agencies**

There are two separately constituted agencies which, though not directly connected with the Department's activities, have certain responsibilities in this field. They are the Ontario Municipal Board and the Municipal Advisory Committee.

The functions of the Ontario Municipal Board and its relationship with the Department were outlined briefly at the beginning of this memorandum. We do not supply additional information concerning its activities because we understand that they are the subject of a separate individual report to your committee.

The Municipal Advisory Committee is composed of a member of the Legislature and five appointed municipal officials. Each month it meets for a period of about three days to review matters that are of general concern in the field of municipal administration and to offer advice on these matters to the Minister.

### **Addendum, August, 1959**

Since the submission of our memorandum on this Department in November, 1958, a number of changes have taken place in the scope of the Department's activities. The more important of these changes are outlined below:

- (a) Under an amendment to *The Municipal Tax Assistance Act*, the Department is now authorized to pay to municipalities an unconditional grant which will, in general, compensate them for the payments that these municipalities must make under *The Public Hospitals Act*, on behalf of indigents.
- (b) Under the Federal-Provincial program of assistance to municipalities on municipal works projects to stimulate employment during the winter months, the staff of the Municipal Administration Branch review and approve both the original projects and the claims submitted by municipalities in respect of wages paid by them on approved projects.
- (c) In addition to valuing the properties of the Hydro-Electric Power Commission of Ontario located in any municipality, the Assessment Branch are now required by an amendment to *The Power Commission Act* to make a further valuation of any generating or transformer station buildings owned by the Commission and located in a

## *Department of Municipal Affairs*

municipality, based on the inside floor area of the actual buildings.  
(d) The Main Office of the Department has taken on a number of new functions including:

- summarizing and publishing decisions of the Ontario Municipal Board
- publishing the Department's annual report
- paying a bounty on foxes in response to requests from municipalities for assistance in reducing the fox population to combat the spread of rabies in the Province
- investigating requests for assistance from municipalities in cases of disasters such as floods, fires, etc., and recommending the amount of the assistance to be provided.

### DEPARTMENT OF MUNICIPAL AFFAIRS EXHIBIT 1

#### REVENUE

	<i>Budget</i> <i>1957-58</i>	<i>Actual</i> <i>1957-58</i>	<i>Budget</i> <i>1958-59</i>
<b>MAIN OFFICE</b>			
Sale of Annual Report	\$ 700.00	\$ 783.75	\$ 700.00
Sale of Municipal Directory	750.00	1,085.00	750.00
Municipal Auditors' licence fees	550.00	498.00	550.00
Miscellaneous	—	45,945.50	—
	<u>\$ 2,000.00</u>	<u>\$ 48,312.25</u>	<u>\$ 2,000.00</u>
<b>ONTARIO MUNICIPAL BOARD</b>			
Board fees	<u>\$270,000.00</u>	<u>\$270,557.59</u>	<u>\$280,000.00</u>
<i>Total for department</i>	<u>\$272,000.00</u>	<u>\$318,869.84</u>	<u>\$282,000.00</u>

# Organization of Government in Ontario

## DEPARTMENT OF MUNICIPAL AFFAIRS EXHIBIT 2

### EXPENDITURE

	<i>Budget</i> <u>1957-58</u>	<i>Actual</i> <u>1957-58</u>	<i>Budget</i> <u>1958-59</u>
ORDINARY EXPENDITURE			
Grants			
Per Capita grant to municipalities	\$20,900,000.00	\$20,669,765.81	\$21,600,000.00
Grant to mining municipalities	2,000,000.00	2,276,313.20	3,500,000.00
Miscellaneous subsidies	1,184,000.00	1,143,711.96	1,280,000.00
Main Office	153,558.00	132,428.11	188,394.00
Municipal Auditing and Accounting Branch	113,486.00	88,918.04	141,898.00
Municipal Assessment Branch	277,116.00	268,080.68	358,288.00
Municipal Administration Branch	101,440.00	80,664.32	127,920.00
Development and Special Projects Branch	63,400.00	50,740.70	80,500.00
Ontario Municipal Board	254,000.00	257,031.93	324,000.00
<i>Total ordinary expenditure</i>	<u>\$25,047,000.00</u>	<u>\$24,967,654.75</u>	<u>\$27,601,000.00</u>
CAPITAL DISBURSEMENTS			
Investigation, design and servicing of mining town sites	—	—	\$ 500,000.00
Advances to improvement districts	—	\$ 1,585,820.00	2,860,000.00
Bonus for rural, primary and secondary lines	\$ 8,700,000.00	7,359,099.00	—
<i>Total capital disbursements</i>	<u>\$ 8,700,000.00</u>	<u>\$ 8,944,919.00</u>	<u>\$ 3,360,000.00</u>



## 12. Department of Planning and Development

THE FOLLOWING OUTLINE draws primarily on six memoranda prepared for the Committee by officers of the Department. In order to obtain coverage comparable to that given other departments, the material contained in the memoranda has been supplemented by discussions with officials of the Department.

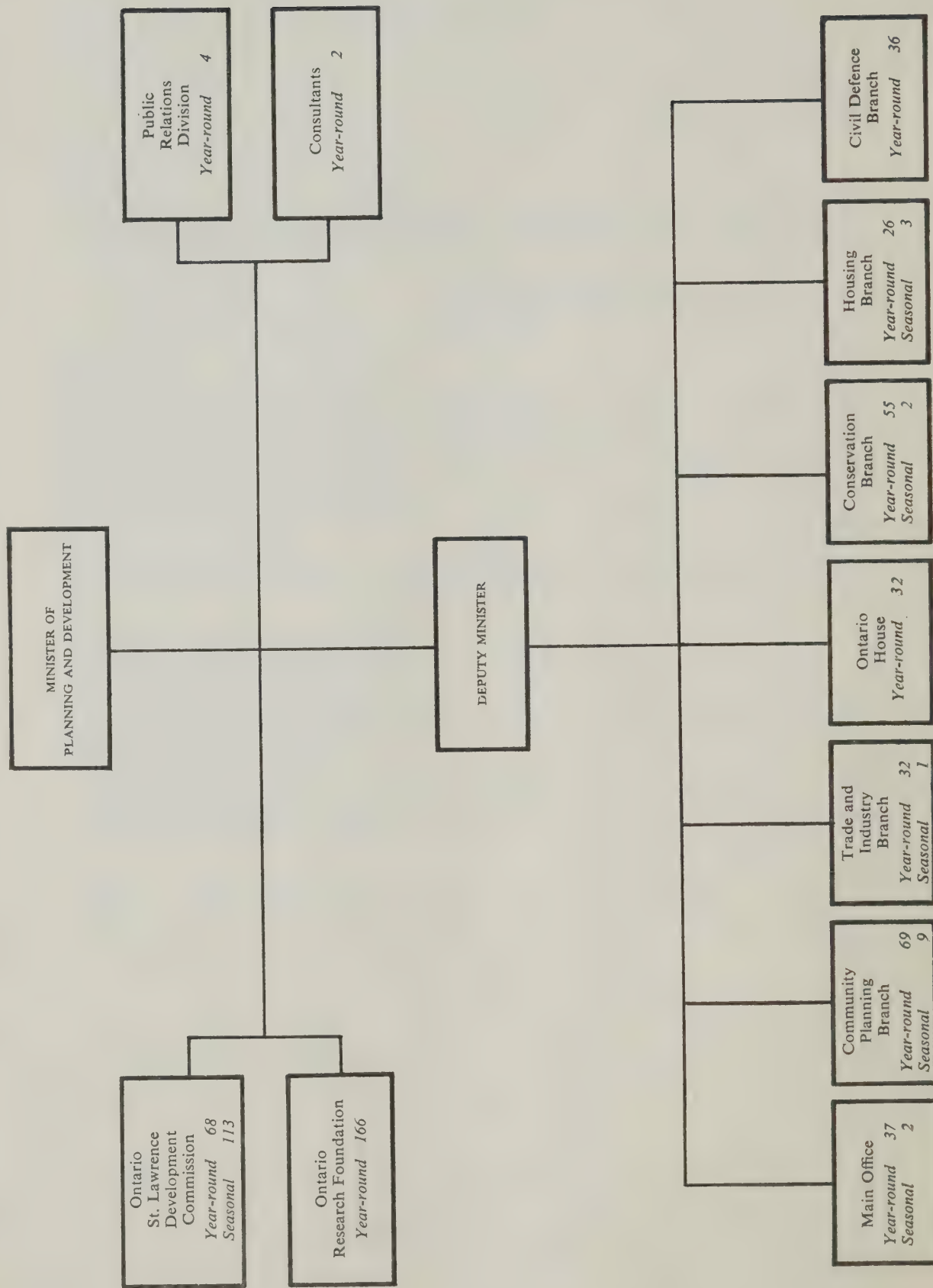
The Department was created by statute in 1944. The duties assigned to the Minister are given in the Act as follows:

The Minister shall collaborate with the Ministers having charge of the other departments of the public service of Ontario, with the Ministers having charge of the departments of the public service of Canada and of other provinces, with municipal councils, with agricultural, industrial, labour, mining, trade and other associations and organizations and with public and private enterprises with a view to formulating plans to create, assist, develop and maintain productive employment and to develop the human and material resources of Ontario, and to that end shall co-ordinate the work and functions of the departments of the public service of Ontario.

The Minister is also responsible for administering such Acts and regulations thereunder as may be assigned to him. At present, the functions assigned to the Department can be classified broadly within the following three main areas of activity:

- promoting the expansion of trade and industry within the Province.
- promoting the development of improved physical facilities and of local resources by individual municipalities or groups of municipalities.
- establishing and directing a civil defense organization throughout the Province.

In addition, specialized services relating to the general area of



## *Department of Planning and Development*

responsibility assigned to the Minister are being provided by two separately constituted agencies. They are the Ontario-St. Lawrence Development Commission and the Ontario Research Foundation. These agencies report to the Lieutenant-Governor in Council through the Minister.

The principal organizational units through which the Department carries on its work are shown on the chart facing this page. The chart also shows the approximate number of employees associated with the various organizational units of the Department proper and indicates the two separately constituted agencies that were named above. As of September 30th, 1958, the Department staff employed on a year-round basis totalled approximately 300 people with a further 17 people being employed on seasonal work at that time.

During the fiscal year 1957-58 total expenditures of the Department amounted to some \$10,260,000. Expenditures on ordinary accounts were approximately \$2,500,000 and capital account expenditures some \$7,760,000. Revenues totalled just over \$106,000. A breakdown of these figures by type of activity follows this memorandum.

The activities of the Department and its two related agencies are described in some detail under the following three main headings:

Trade and Industrial Development Activities

Municipal Project Development Activities

Civil Defense Activities

The functions and services of the Ontario Research Foundation are dealt with under the first of the above headings because a very large part of its work is associated with that field.

### **Trade and Industrial Development Activities**

Within this field the Department performs the following functions:

- it maintains a comprehensive service for assembling and supplying information and advice to industrial and trade organizations contemplating the establishment of new undertakings in the Province.
- it sponsors the formation of regional organizations to carry out local programs for promoting the expansion of industry within the regions.
- it maintains a service organization for assisting employers to locate and select suitable immigrants and also for advising and guiding



## *Organization of Government in Ontario*

immigrants in their selection of appropriate destinations within the Province.

An outline of the organizations carrying out these functions is provided in the following résumés.

*The Trade and Industry Branch:* The nature of the services offered through the divisions or sections of the Branch are as follows:

- an Industrial Development Division supplies information on such matters as markets, raw materials, labour, power, transportation, sites and premises to manufacturers planning to expand existing facilities or locate new facilities in Ontario.
- a Municipal Development Section provides an advisory service to Ontario communities in the planning and implementation of industrial development programs and compiles municipal industrial data on all Ontario communities for the guidance of manufacturers.
- an Immigration Division works closely with the Immigration Department of Ontario House and with Federal authorities, co-ordinating the interests of the Province in this field.
- a Regional Development Section administers one of the principal activities of the Branch: its regional economic development programs. Under this program, provision has been made for the establishment of Regional Development Associations for each of nine Provincial regions. If the majority of municipalities within a region support the principle of the associations and contribute at least \$10,000 per year to their operations, government grants of up to \$10,000 annually may be made to such associations. These undertakings are set up for a three-year period. To date, seven associations have been formed. Where the three-year terms have expired, they have been extended for an additional term.

Each association has a General Manager, Board of Directors and, within each, Zone Committees. We are informed that some 500 persons voluntarily serve on the boards and committees. The associations operate independent of direction from the government. However, an appointee of the Trade and Industry Branch attends directors' meetings and twice yearly meetings of the General Managers are called by the Department to exchange information and discuss work programs.

*Ontario Research Foundation:* Although not a part of the Departmental structure as such, the functions of the Ontario Research Founda-

## *Department of Planning and Development*

tion also concern trade and industrial development. The Foundation was established by statute in 1927 and work commenced in 1928.

A Board of Governors, consisting of not more than twenty-five members, appointed by the Lieutenant-Governor in Council, directs the affairs of the Foundation. However, it is responsible to the Lieutenant-Governor in Council, reporting through the Minister of Planning and Development.

The objects of the Foundation are defined as follows:

- the improvement and development of manufacturing and other industries by the introduction of advanced methods and processes;
- the discovery and better development of the natural resources of the Province and the discovery and utilization of the by-products of any processes in treating or otherwise dealing with mineral, timber and other resources of the Province;
- the development and improvement of methods in the agricultural industry and the betterment, welfare and progress of farm life;
- scientific research and investigation for the mitigation and abolition of disease in animal or vegetable life and the destruction of insect or parasitic pests;
- generally, the carrying out, with the approval or under the direction of the Lieutenant-Governor in Council, of any other research work or investigation which may be deemed expedient.

Additionally, with the termination of the Ontario Research Council in 1955, the Foundation has taken over the administration of funds for post-graduate scholarships in the natural sciences, for the support of selected research projects at Ontario universities and for the support of what are known as Group Projects. These are research programs undertaken by groups of firms or other interested organizations. Foundation assistance may be granted on a 50-50 basis.

The work of the Foundation may be classified generally as being of three types:

- specific investigations are carried out at the request of the Government or a department. Examples have been: for the Minister of Mines, study of the technical and economic problems of developing and utilizing lignite deposits; for the Minister of Agriculture, control of the disease of contagious abortion in cattle. Also, in recent years, the Foundation has received an annual grant through the Department of Planning and Development which is used to support

## *Organization of Government in Ontario*

basic research leading to improved industrial and agricultural resource utilization in the Province.

- under a Fellowship Plan, the undertaking of long-term research projects for private industry. The Plan involves the assignment of one or more qualified scientists to a specified project, under the direction of a senior staff member. Projects may extend over several years. Short-term projects—generally having to do with solving development problems or operating difficulties—are also brought to the Foundation, for the most part by smaller firms without scientific facilities of their own. Such projects, long-term or short, are undertaken on a confidential basis. The essential purpose of these Foundation activities is to provide research facilities to industry in Ontario at cost.
- an Industrial Research Service section of the Foundation serves as a technical information centre of small industrial units in the Province. Apart from its “library” functions, this section also arranges for plant visits by its field engineers.

### **Municipal Projects Development Activities**

The Department’s responsibilities under this general heading are carried out by the following Branches, each of which is discussed in some detail subsequently:

Community Planning Branch

Conservation Branch

Housing Branch

*Community Planning Branch:* The principal statute administered by the Branch—*The Planning Act, 1955*, and subsequent amendments—is concerned with the designation of planning areas which consist of all or part of a municipality or “of such municipalities or parts as in the opinion of the Minister constitute a complete planning unit.” The legislation is concerned with land use in its broadest sense, with such things as subdivision control, zoning and re-development and with the preparation of an “official plan” which, according to the statute, “means a programme and policy . . . covering a planning area . . . designed to secure the health, safety, convenience and welfare of the inhabitants of the area . . .”

*Official Plans:* It is not compulsory that municipalities observe the planning procedure outlined in the Act but we were informed that “official



## *Department of Planning and Development*

plans” have been developed and approved for municipalities in which the majority of the population reside. The following are the principal parties to the planning procedure:

- local planning boards, whose duties are to “investigate and survey the physical, social and economic conditions in relation to the development of the planning area” and “such other duties of a planning nature as may be referred to it by any council having jurisdiction . . .” Its purpose is to develop a plan for the area; if the plan is adopted, it may recommend to the council or councils in the area as to the implementation of any features of it or as to amendments to such plans.
- municipal councils which receive the recommended plans or amendments from the planning boards. They may adopt them by majority vote.
- Minister of Planning and Development, who receives the plan as adopted. He may refer the plan to government departments or agencies or other municipalities which might be affected. He may settle modifications and approve the plan in its final form. It then becomes the official plan for the planning area covered.

With minor provisos, when an official plan is in effect no by-law may be passed and no public work may be undertaken that does not conform with the plan.

A procedure is provided in the statute for amending the official plan. While the details of the procedure are not of major significance, one special situation might be noted. Where “any person requests the council to initiate an amendment to an official plan” and the council does not do so, such person may request the Minister to refer the proposal to the Municipal Board. The Minister may refuse the request or refer it as requested. If the latter, the Municipal Board may reject the proposal or cause the amendment to be made. In effect, then, there is a procedure for appealing to the Minister for permission to propose amendments to the Municipal Board.

A Committee of Adjustment may be set up after an official plan has been implemented. These Committees may authorize minor variances (from the provisions of a by-law) as to the use of land or buildings provided that, in their opinion, the general intent and purpose of the by-law and official plan are maintained. Applications must be heard in public, with any interested persons participating, within thirty days after receipt

## *Organization of Government in Ontario*

and a fee of up to \$25 may be required on each application. Decisions are by majority of the Committee and must be in writing. The Minister must be advised of all applications, all hearings and proceedings at the hearings. Appeal by the Minister or any other person who has an interest may be made to the Municipal Board.

*Sub-Division Control: The Planning Act* also deals with the designation, by a municipality, of land as an area of sub-division control. While the designation of such areas does not require the approval of the Minister, areas of sub-division control cannot subsequently be altered or dissolved without his approval. When, however, land is to be sub-divided for the purpose of sale or lease by lots, a draft plan in considerable detail as to such things as lay-out, purposes of use, natural and artificial features, availability of services, must be conveyed to the Minister for approval. He will, as necessary, confer with municipal officials, government departments and other authorities; if and when approved by the Minister, the draft plan is brought to final form for registration under *The Registry Act* or *The Land Titles Act*.

*Conservation Branch:* This Branch administers *The Conservation Authorities Act*, passed in 1946 with the object of co-ordinating local conservation efforts on a watershed basis and providing procedures whereby conservation projects might receive Provincial and, in some cases, Federal government assistance. The functions of the Branch are to:

- assist municipalities in the establishment of river valley conservation authorities. To date, 23 Authorities have been established. Total membership is 318 municipalities.
- make surveys of the river valleys covering hydraulics, land use, forestry, wildlife and recreation. A report is submitted to the Authority in each case containing recommendations as to how conservation efforts on each watershed can best be co-ordinated and handled.
- the Act provides for the preparation of conservation “schemes” by the Authorities. These deal with the “conservation, restoration and development of natural resources (except gas, oil, coal and minerals) and the control of water in order to prevent floods and pollution.” The Branch assists in the preparation of such schemes and their submission to government.
- where government grants are made under these schemes, the Branch exercises certain administrative and supervisory functions.

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Following approval (by two-thirds vote) at a meeting of the municipalities located within a watershed, a Conservation Authority may be established by the Lieutenant-Governor in Council on the request of the Minister. Subject to what is said below concerning Provincial grants, costs of operating and of capital works is borne by the municipalities themselves. The projects undertaken by the Authorities must be approved by the Minister, however, and where the required funds are to be raised in a subsequent year or years, approval of the Ontario Municipal Board must be obtained.

Under the provisions of *The Conservation Authorities Act* the Lieutenant-Governor in Council may make grants to the Authorities out of such funds as may be appropriated therefor by the Legislature. The following schedule indicates the proportion of costs which such grants may make up. (The proportions are determined as matters of Government policy, they are not defined by statute):

(a) Engineering to estimate the cost of a scheme	75%
(b) All other except (c): Flood control, reforestation, recreation, administration costs	50%
(c) Large flood control schemes over \$5,000,000, Federal government may contribute	37½%
If so, Province contributes	37½%

Controls over work for which grants were made were outlined in a report prepared by the Branch as follows:

- the Minister must approve all grants for administration and capital works.
- all schemes must be submitted in the form of a brief and be approved by the Minister, and in some cases by the Ontario Municipal Board.
- the Chief Conservation Engineer of the Department has been appointed Chief Officer, as provided by the Act, to all Authorities, and is thereby a member of the Executive Committees. He also acts as technical advisor to the Authorities.
- accounts for all expenditures by the Authorities for which grants are made are audited by the Conservation Branch and must be approved by the Chief Conservation Engineer.
- schemes to which the Government of Canada has contributed are covered by a special agreement between the Government of



## *Organization of Government in Ontario*

Canada, the Government of Ontario and the Authority for which the scheme is being carried out. This agreement covers all items pertinent to the scheme, especially contracts, purchases of all kinds, and the right of supervision and construction inspection.

The foregoing refers to controls during the life of the project as such. As regards controls to protect the equity of the Province after completion of the project, the Branch report points out:

- on all land, including buildings, structures, trees, etc., for which a grant has been made, an agreement is signed between the Government of Ontario and the Authority requiring the permission of the Minister for the sale of land, removal of structures, etc.
- reforestation schemes are under agreement with the Minister of Lands and Forests and are administered and controlled by him for a period of 50 years.

*Grand River Conservation Commission:* Brief mention might be made of this Commission which was constituted by a separate Act in 1938. The purpose of the Commission, according to *The Grand River Conservation Act*, is as follows:

to study and investigate . . . the Grand River Valley and to determine a scheme whereby the waters of the said Grand River Valley may be conserved to afford a sufficient supply of water for the municipal, domestic and manufacturing purposes of the participating municipalities during periods of water shortage and controlled in times of flood, and to undertake such scheme.

The Commission itself is a body corporate, with representatives on it appointed from the following municipalities:

City of Brantford	Town of Preston
City of Galt	Town of Waterloo
City of Kitchener	Village of Elora
Town of Paris	Village of Fergus

No provision is made in the Act for the payment of grants to the Commission. However, on two projects, the construction of the Shand and Conestogo Dams by the Commission, special grants were made with the Federal and Provincial governments each paying 37½ per cent toward project costs and the Commission paying the balance.

*Housing Branch:* This Branch has under its supervision twenty-seven local housing authorities. The governing statute is *The Ontario Housing Development Act* originally passed in 1948. The housing authorities are

## *Department of Planning and Development*

management corporations set up to operate housing projects undertaken jointly by the Federal Government (Central Mortgage and Housing Corporation) and the Branch. The authorities are appointed, usually with 5 or 7 members by a committee of three, consisting of the mayor of the municipality concerned and a representative from the Department and the Federal Department of Public Works.

The functions and responsibilities of the Branch in relation to the authorities are of a supervisory nature. In effect, the authorities manage the completed project on leases from the Provincial government, represented by the Minister of Planning and Development, and the Federal government, represented by the Central Mortgage and Housing Corporation. The determination of rents or a formula by which rents are to be determined rests with these two senior partners.

Financial operations of the authorities are controlled through annual budgets which must be approved by the Provincial and Federal parties to the agreement. Audited statements are furnished each year and the Provincial Department is authorized to make spot checks of the Housing Authorities' books.

Leaving aside the supervision of the authorities, the Act provides that the Minister may enter into agreements with the Federal government respecting joint projects for the acquisition and development of land for housing purposes and for the construction of houses thereon for sale or rent. In fact, no houses have been constructed for sale, this being contrary to the wishes of the Provincial Government.

The role of the Government and of the Minister, through the Housing Branch, in this sphere is perhaps most readily indicated by summarizing some of the provisions of the Act. Under the Act a "building development" means a project to furnish housing accommodation, including plans for the redevelopment of urban land to increase or improve housing accommodation. A "building development corporation" is one authorized to undertake a development. It must be approved by the Lieutenant-Governor in Council and includes any authority established by a municipality to undertake such a development.

The Government may guarantee loans made by authorized lending institutions where such loans are to be used in the construction of housing. It may make grants in aid of building developments and grants in aid of acquiring and clearing land in a redevelopment site which will be used for housing. The Government may advance or guarantee monies advanced to building development corporations.

## *Organization of Government in Ontario*

Municipalities are empowered to enter into joint housing agreements with the Ontario government and C.M.H.C. and may incur obligations and raise money by issue of debentures—for joint housing projects—without reference to the electors or the Ontario Municipal Board.

In lieu of taxes on lands acquired for joint housing projects, the Provincial Government may make annual payments to municipalities. Based on the opinion of the Minister of Municipal Affairs, such payments must not exceed the tax revenues which might have been received had the land not been tax exempt.

The Minister of Planning and Development may acquire by purchase or, without consent of the owner, expropriate land deemed necessary for a housing development. His powers, and the procedure followed, shall be as provided in *The Public Works Act*. With the approval of the Minister, a municipality may acquire, hold or dispose of land for housing projects and may, with his approval, enter into agreements with persons or government authorities regarding the sharing of capital or maintenance costs of housing projects.

### **Civil Defence Activities**

These activities are carried out by the Civil Defence Branch of the Department and principally involve education and training programs and also co-ordinating and assisting the activities of municipal civil defence organizations.

By 1957 some 271 municipalities had, either by county or municipal by-law or resolution, undertaken to participate in CD activities. Over 36,000 volunteers were enrolled in municipal programs in addition to police, fire, health, welfare and public utility employees. In the year, 45 municipalities submitted projects totalling almost \$750,000 under the Federal-Provincial Financial Assistance Programs.

The functions of the Branch may be summarized as follows:

*Education:* dissemination of literature; maintenance of a film library.

*Training:* provision of instructors to give courses in the municipalities. Over 10,000 volunteers were given courses last year.

*Co-ordination:* the operational concept of CD is on an integrated Provincial basis. Thus, should the need arise, the organization would fan out from the Branch to eight Zone Headquarters to local



## *Department of Planning and Development*

units. Liaison is also maintained with the O.P.P., Office of the Fire Marshal, and the Departments of Health and Transport. The Branch is working towards an even more rounded plan with the addition of the Department of Public Welfare.

*Financial Assistance:* under present arrangements, the Federal government extends assistance to municipal CD costs equal to one-half of such costs, with the Provincial government and the municipalities themselves sharing the remainder. Such costs cover operational and equipment outlays. If approved by the Federal and Provincial ministers concerned, the financial assistance granted becomes a continuing commitment on the two Treasuries.

### **Relationships With Other Provincial Agencies**

The plan of organization of the Department, shown earlier, indicated three Provincial organizations outside of the Departmental structure as such which report to or through the Minister. Of these, the Ontario Research Foundation has already been discussed. The other two—Ontario House and the Ontario-St. Lawrence Development Commission—are reviewed briefly below.

*Ontario House:* The operation of Ontario House in London, England, is under the supervision of an Agent General, who reports directly to the Minister of the Department of Planning and Development. The responsibilities of Ontario House include immigration, trade and industry, public relations and tourism. These responsibilities are carried out through four Departments as follows:

*Immigration Department:* This Department co-operates with the officers of the Canadian Department of Citizenship and Immigration in London to provide prospective British immigrants with information on employment and living conditions in Ontario. A comprehensive advisory service in respect to immigration regulations, transportation, housing, education, etc., is also provided.

The work of this Department is co-ordinated with the Trade and Industry Branch in Toronto, which is responsible, in the Provincial government, for immigration.

*Trade and Industry Department:* This Department is responsible for contacting and attracting new investment and industries from the United Kingdom and Europe and provides initial service to over-

## *Organization of Government in Ontario*

seas manufacturers. Subsequently, detailed reports and servicing are handled by the Branch in Toronto. Assistance is also rendered to Ontario businessmen and representatives of municipalities who visit abroad.

*Public Relations Department:* This Department publicizes in the United Kingdom and Europe the attractions and development of the Province of Ontario. Assistance and information is provided to overseas newspapers and publishers and material is also furnished for radio and television programmes and a film library is maintained. A monthly newsletter known as the Ontario Bulletin is also published and distributed to a mailing list of some 3,000.

Assistance is rendered to Canadian tourist visitors abroad as well as to United Kingdom people considering travel to Canada. A reference library of Canadian publications is also maintained and used by journalists, students and Government officials.

*Administration Department:* Apart from its general internal administrative functions, this Department handles miscellaneous enquiries. Citizens of Ontario moving to the United Kingdom are given guidance in reference to employment and a close liaison is maintained with the United Kingdom Labour Exchange. Canadian residents in the United Kingdom as well as British citizens are assisted in obtaining information from Ontario on birth certificates, estate problems, taxation, succession duties and, on occasion, location of relatives and missing persons.

*Ontario-St. Lawrence Development Commission:* The Commission was established by statute in 1955, with responsibilities "to develop, control, manage, operate and maintain" park areas assigned to it and, secondly, "to investigate and inquire into any matter or subject affecting or incidental to the welfare of adjacent municipalities in the Province or their inhabitants".

Provision was made for a Commission of nine persons, to be appointed by the Lieutenant-Governor in Council. The Chairman and two Vice-Chairmen are appointed for a ten-year term of office with possible re-appointment for a further similar term. These officers constitute an executive committee which is charged with administrative direction and control.

Administration of the Act is assigned to the Minister of Planning and Development and the Commission reports annually to him. The devel-

## *Department of Planning and Development*

opment and co-ordination of Provincial parks policy is the responsibility of the Parks Integration Board upon which both the designated Minister and the Chairman of the Commission sit as members.

The Commission had not, up to the end of March, 1958, earned revenues. Its expenditures in the fiscal year ending that date amounted to some \$1,300,000, with all but some \$45,000 of this being expended on parks projects.

The background of events which led to the formation of the Commission was, of course, the St. Lawrence Seaway Project which raised the river some 80 feet in the vicinity of Cornwall and required the relocation of homes, industry, highways, and the main line of the Canadian National Railways over a distance of some 40 miles. At the same time, it opened up new possibilities for the creation of park lands and recreational facilities.

As of mid-1958, the Commission had 5,700 acres of land under its jurisdiction extending from the Quebec border to Adolphustown in the Bay of Quinte. An additional 15,000 acres were under consideration for future development. Much of the work of the Commission, apart from the landscaping of park lands, has involved or will involve, the construction of roads and bridges, shore improvements work along with causeway and beach construction. A major part of its activities have also involved the relocation and restoration of historic buildings, establishment of museums and the preservation of historic sites.

In April, 1958, the administration of Old Fort Henry was transferred to the Commission. Although the title to the Fort is vested in the Dominion, it had been operated as a tourist attraction by the Department of Highways for many years.

*Other Provincial Organizations:* In general, the statutory requirements upon the Minister (through his Department) to collaborate with other departments or governmental agencies in the broad sphere of planning results in frequent contact and liaison with many Provincial organizations. The work of the Department is quite closely associated with the responsibilities of the Department of Highways, Municipal Affairs, Health, Education and Lands and Forests. Among the boards and commissions, the Ontario Municipal Board, the Fuel Board, the Water Resources Commission and the Hydro-Electric Power Commission bear particular mention.

Of these agencies, the one whose operations affect the Department most directly is the Ontario Municipal Board. It is this Board to which any person can require the Minister to refer any matter that is submitted to him



## *Organization of Government in Ontario*

under *The Planning Act, 1955* for approval or consent, and when the Municipal Board acts in connection with such a reference, any approval or consent given by the Board has the same force and effect as if it were the approval or consent of the Minister. Plans of subdivision, official plans, and amendments to official plans are the areas of responsibility of the Department which have most often resulted in references to the Ontario Municipal Board in the past, although there are a number of other matters under the Act that could conceivably lead to references to the Board.

In addition to this function, the Municipal Board also is required to approve all zoning by-laws passed under section 390 of *The Municipal Act*. As these by-laws control the use of lands in the various municipalities in the Province, this function of the Board relates very closely to the planning functions of the local communities in respect of which the Department has a responsibility to supervise, to encourage, and to advise. There are a variety of other functions of the Municipal Board that more or less indirectly affect matters with which planning is concerned, such as the issuing of debentures by municipalities to pay for capital works, etc.

### **Addendum, September, 1959**

During the 1959 Session of the Legislature, the provisions of Section 390 and part of Section 388 of *The Municipal Act*, dealing with certain building and zoning restrictions, were transferred from *The Municipal Act* to *The Planning Act*.

By arrangement with the Department of Municipal Affairs these particular sections had for some years been administered by the Department of Planning and Development and the transfer was for ease of administration.

Under a reorganization of Civil Defence carried out by the Federal Government the Civil Defence Branch will work closely with Federal and Provincial Emergency Measures Organizations and the Canadian Army. Also under the new arrangements the Federal government may render assistance in Municipal Civil Defence costs equal to 75% of such costs for approved projects, with the Provincial government paying 15% and the municipalities themselves paying the remaining 10%.

## *Department of Planning and Development*

### DEPARTMENT OF PLANNING AND DEVELOPMENT EXHIBIT 1

#### REVENUE

	<i>Actual</i> <u>1957-58</u>
MAIN OFFICE	
Miscellaneous sales and recoveries	\$ 43.80
Hungarian Refugee Assistance—Government of Canada repayment	<u>104,810.39</u>
	\$104,854.19
Miscellaneous	<u>\$ 1,394.36</u>
<i>Total</i>	\$106,248.55

# Organization of Government in Ontario

## DEPARTMENT OF PLANNING AND DEVELOPMENT EXHIBIT 2

### EXPENDITURE

<i>Ordinary Expenditures</i>	<i>Budget</i>	<i>Actual</i>	<i>Budget</i>
	<i>1957-58</i>	<i>1957-58</i>	<i>1958-59</i>
MAIN OFFICE			
Administration	\$ 265,000	\$ 261,011.50	\$ 300,000
CIVIL DEFENCE BRANCH			
Administration	193,000	155,794.99	176,500
Grants to municipalities	200,000	151,080.24	216,500
COMMUNITY PLANNING BRANCH			
Administration	318,000	299,609.72	363,000
Grant to Community Planning Association of Canada	2,000	2,000.00	2,000
Services in Area of St. Lawrence Power and Seaway Project	15,000	1,142.25	1,000
CONSERVATION BRANCH			
Administration	249,000	254,910.20	302,000
River valley surveys	130,000	129,846.08	145,000
Grants to Conservation Authorities	175,000	113,127.16	200,000
ONTARIO HOUSE, LONDON, ENGLAND			
Administration	220,000	201,968.83	230,000
TRADE AND INDUSTRY BRANCH			
Administration	248,000	226,889.53	260,000
Grants to Regional Development Associations	80,000	68,997.00	80,000
Grants to Ontario Research Foundation	495,000	515,596.16	745,000
Hungarian Refugee Assistance	500,000	—	65,000
ONTARIO-ST. LAWRENCE DEVELOPMENT COMMISSION—OLD FORT HENRY			
Administration	—	—	210,000
HOUSING BRANCH			
Administration	120,000	117,228.52	167,000
Grant Regent Park North	—	—	109,000
<i>Total</i>	<u>\$ 3,210,000</u>	<u>\$2,499,202.18</u>	<u>\$ 3,572,000</u>
<i>Capital Payments</i>			
COMMUNITY PLANNING BRANCH			
Special Projects, Mining Townsites	\$ 500,000	\$ 7,976.31	—
CONSERVATION BRANCH			
Grants to Conservation Authorities	4,175,000	1,172,752.00	4,175,000
ONTARIO-ST. LAWRENCE DEVELOPMENT COMMISSION			
Administration, Land, Construction Development	3,000,000	1,688,824.17	2,800,000
HOUSING BRANCH			
Housing Development	5,900,000	4,889,825.93	5,500,000
<i>Total</i>	<u>\$13,575,000</u>	<u>\$7,759,378.41</u>	<u>\$12,475,000</u>



## 13. Department of the Provincial Secretary

THE DEPARTMENT OF THE PROVINCIAL SECRETARY is responsible for the provision of a variety of services to the Provincial Legislature, the business community and the general public. These services can be categorized into the following four main areas:

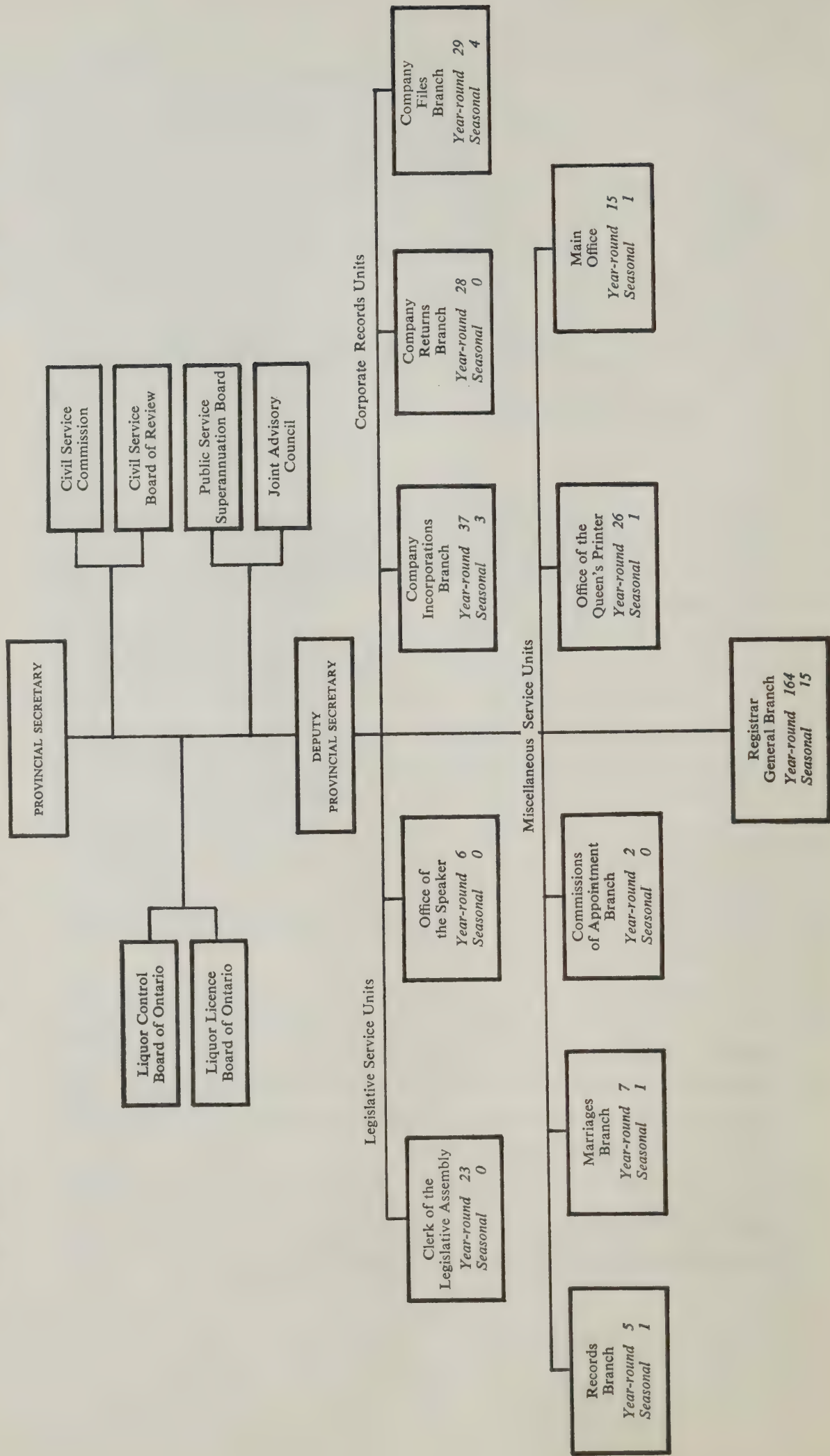
- supplying a form of secretarial services to the Provincial Legislature, by maintaining custody and records of various documents issued on the instructions of the Legislature.
- ensuring that all companies carrying on a business in Ontario file the necessary returns and otherwise comply with the provisions of the Provincial legislation relating to corporations.
- registration of all births, marriages and deaths in the Province in accordance with the provisions of *The Vital Statistics Act*.
- providing a number of miscellaneous services having to do with marriages, the issuing of commissions and the purchasing of stationery supplies.

The general plan of organization under which the Department operates is shown in chart form overleaf. This chart sets out the major organizational units of the Department and indicates the approximate number of employees associated with the work of each unit. As of June 30th, 1958, the personnel of the Department totalled approximately 370 employees of which some 340 held civil servant status.

The ordinary revenue of the Department during the 1957-58 fiscal year amounted to around \$1,900,000 while ordinary expenditures in the same period totalled approximately \$2,500,000. Payments into the Public Service Superannuation and Retirement Funds during the period amounted

# PROVINCE OF ONTARIO

*Plan of organization of the Department of the Provincial Secretary and related boards, commissions and like agencies*



## *Department of the Provincial Secretary*

to about \$16,900,000 and payments out of the Funds to a little over \$4,500,000. A breakdown of revenue by source and expenditure by Branch is shown in Exhibits 1 and 2 respectively, following this memorandum.

The nature of the more important activities being carried out in the four separate areas outlined at the beginning of this section, is described briefly below.

### **Secretarial Services to the Legislature**

These services are provided to the Provincial Legislature through the organizational units whose principal functions are summarized below.

*Clerk of the Legislative Assembly:* This Office is responsible for all the records of the Assembly and for maintaining custody of all petitions and bills introduced for consideration by the Legislature. Bills that become law are certified by the Clerk and retained in his custody.

*Office of the Speaker:* This Office arranges for the production of the Reports of the Legislative Debates and for the sessional requirements with respect to stenographers and pages. When the Legislature is not in session its staff supply general stenographic service for the members who require it and handle other similar duties.

### **Administration of Provincial Legislation Pertaining to Corporations**

The Branches of the Department concerned with this phase of the Department's activities and their principal functions are outlined briefly below.

*Company Incorporations Branch:* The work of this Branch includes the issuing of letters patent, supplementary letters patent, orders accepting surrender of charter, licences in mortmain to hold land, extra-provincial licences to carry on business in Ontario, etc.

Many applications for the incorporation of corporations are referred to other departments or agencies who may be interested, before letters patent are issued. For example, applications to incorporate hospitals are referred to the Ontario Hospital Services Commission; applications to incorporate schools are referred to the Department of Education; and applications to incorporate oil and gas companies are referred to the Ontario Fuel Board.

Applications for supplementary letters patent or for orders accept-



## *Organization of Government in Ontario*

ing the surrender of a charter and dissolving a corporation are not granted until the application is referred to the Corporations Tax Branch of the Treasury Department and a clearance is obtained that the corporation has paid all corporation taxes. Likewise, charters are not cancelled for failure to file annual returns until a clearance is obtained from the Corporations Tax Branch.

*Company Returns Branch:* This Branch collects fees and files returns from companies that are required, under *The Corporations Information Act, 1953*, to file such returns. Where returns are not filed by a specified date, the Branch follows up to find out the reason for non-filing.

*Files Branch:* This Branch files returns of all active and dormant companies registered in Ontario and provides a set of central files for the administrative offices of the Department.

The work of these Branches is based on a number of Acts administered by the Department. A brief description of these Acts, as well as the discretionary powers of the Department under each Act, is set out below.

### *The Corporations Act, 1953*

This Act provides for the incorporation of corporations and for the regulation of such corporations when incorporated. The granting of letters patent, supplementary letters patent and orders under the Act is entirely within the discretion of the Lieutenant-Governor. The Act provides, however, that the Provincial Secretary may exercise all the power and discretion of the Lieutenant-Governor under this Act.

There is no provision for a reference to the courts where there is a refusal to grant letters patent, supplementary letters patent or an order and the courts would have no power to grant a mandamus to compel the issue of letters patent, supplementary letters patent or an order.

Subsection 2 of Section 12 provides that the Lieutenant-Governor may change the name of a corporation if the name is objectionable. In proceedings under this subsection, a hearing is held by the Deputy Provincial Secretary at which both sides are represented. Evidence is taken under oath and argument is heard by both parties. The Deputy Provincial Secretary then refers the matter to the Provincial Secretary, who makes a ruling as to whether or not the name should be changed.

Subsection 3 of Section 12 provides that where a person feels aggrieved as a result of a corporation having been incorporated under a particular name, or as the result of a ruling under subsection 2 of Section 12 above referred to, he may apply to the courts for a review of the matter and

## *Department of the Provincial Secretary*

the courts may make an order changing the name of the corporation to such name as it deems proper, or may dismiss the application. This is the only provision in the Act for a reference to the courts from a ruling of the Department.

The Department has very few discretionary powers under *The Corporations Act* as such powers are now almost fully covered by the regulations passed under the Act.

### *The Corporations Information Act, 1953*

This Act provides for the filing of a prospectus and the filing of annual returns, by corporations, with the Provincial Secretary. The Act provides that the Provincial Secretary may extend the time for filing of annual returns, but such extension is entirely discretionary and there is no reference to the courts.

### *The Mortmain and Charitable Uses Act*

This Act provides for the licensing of corporations to hold land in Ontario. The granting of a Licence in Mortmain is entirely within the discretion of the Lieutenant-Governor. The Act provides, however, that the Provincial Secretary shall have all the discretion and power of the Lieutenant-Governor in this respect. There is no appeal to the courts from any refusal to grant a Licence in Mortmain.

### *The Corporations Security Registration Act*

This Act provides for the registration of bond mortgages on chattels in Ontario.

## **Registration of Births, Marriages and Deaths**

This work is carried out by the Registrar-General's Branch in accordance with the provisions of *The Vital Statistics Act*, which provides for the registration of all births, marriages and deaths occurring in Ontario.

If the applicant for a registration of a birth, marriage or death complies with the requirements contained in the Act and the regulations, the Registrar-General could not refuse to make such registration. Although there is no specific provision in the Act permitting a reference to the courts, the applicant could apply for and obtain a mandamus to compel a registration of a birth, marriage or death, if he has complied with the Act and the regulations.

In addition to its registration work, the Registrar-General's Branch verifies births, deaths, etc. for a number of Provincial departments and out-

## *Organization of Government in Ontario*

side agencies, and records deaths from certain causes for the Department of Health and deaths from motor vehicle accidents for the Department of Transport.

### **Miscellaneous Services**

A number of services are provided by the Department that do not fall into any of the first three categories. These are described below under the heading of the organizational unit that is responsible for providing the service.

*Records Branch:* This Branch indexes and maintains records with respect to documents issued under the Great Seal of Ontario, the Privy Seal of the Lieutenant-Governor, and the Seal of the Provincial Secretary. The Branch also prepares certified copies of such records and certificates of notarial authorization.

*Commissions Branch:* This Branch looks after the paper work in connection with the issuing of notary public commissions, Queen's Council commissions and commissions for the taking of affidavits, etc. The authority for certain aspects of its work is contained in *The Notaries Act* and *The Commissioners for Taking Affidavits Act*.

These Acts provide for the appointment of Notaries Public and Commissioners for Taking Affidavits respectively. The commissions of appointment and their limitations as to jurisdiction are recommended by the Inspector of Legal Offices. The granting of such a commission is entirely discretionary and there is no reference to the courts to compel the issuance of such a commission.

*Marriages Branch:* The work of this Branch includes the registration of persons authorized to solemnize marriage in Ontario, supplying local issuers with marriage licences and clergy with bann forms, and issuing special authorization to marry.

In this work, the Branch is responsible for administering *The Marriage Act*, which regulates the solemnization of marriage in Ontario. Under this Act, if an application for a marriage licence is in order, that is, if the parties have taken the prescribed affidavit and have otherwise complied with the Act, and if neither of the parties is under an impediment to contract a valid marriage, the Provincial Secretary has no discretion to refuse to issue a marriage licence. If the Provincial Secretary or an issuer of marriage licences refuses to issue a marriage licence, where the provisions of the Act have been complied with, the parties could, no doubt, obtain a man-



## *Department of the Provincial Secretary*

damus from the court to compel the issue of a marriage licence.

However, the Act does give the Provincial Secretary certain discretion in some cases in respect to the issue of a marriage licence. For example, if one of the parties is divorced in a jurisdiction other than Canada, the Provincial Secretary may require such material as he deems necessary to establish that the divorce is a valid divorce in Ontario. Such evidence of the validity of the divorce is in the discretion of the Provincial Secretary and, if he deems that such evidence is not sufficient, he can refuse to issue a marriage licence and the parties could not obtain a mandamus from the court to compel the issue of a licence.

*Office of the Queen's Printer:* This Office purchases supplies of printing, binding, paper and stationery for the Departments of the Government of Ontario.

### **Boards, Commissions and Like Agencies**

The classification of the boards, commissions and like agencies reporting to the Provincial Secretary, according to the categories outlined in our letter accompanying these memoranda, along with a brief description of their composition and functions is set out below.

#### *Non-Subsidiary Agencies*

**LIQUOR CONTROL BOARD OF ONTARIO:** This is a one-man Board appointed by the Lieutenant-Governor in Council on the recommendation of the Provincial Secretary.

The Board is responsible for administering that section of *The Liquor Control Act* that relates to the regulation and control of the sale of liquor in Ontario through government operated stores.

**LIQUOR LICENCE BOARD:** This Board consists of three members appointed by the Lieutenant-Governor in Council on the recommendation of the Provincial Secretary. The Chairman of the Board is a County Judge and the other two members are normally drawn from outside the civil service.

It is responsible for administering that section of *The Liquor Control Act* that relates to the regulation and control of the sale of liquor in licensed premises. It deals with applications for licences and, after ensuring that an applicant meets the necessary requirements, the Board may grant a licence.

#### *Subsidiary Agencies*

**CIVIL SERVICE COMMISSION:** This Commission, established by provi-

## *Organization of Government in Ontario*

sions of *The Public Service Act*, has three members appointed by the Lieutenant-Governor in Council on the recommendation of the Provincial Secretary. These members are normally drawn from the senior levels of the civil service. The Chairman of the Commission has the status of a deputy minister.

Under the Act, the Commission is made responsible for exercising control over the appointment of civil servants, the determination and administration of their salaries, and the establishment of conditions of work and employment. It studies and makes recommendations on staff organization and administration arrangements in government departments. A detailed outline of its responsibilities and functions is supplied in a separate report that is being submitted to the Committee.

**PUBLIC SERVICE SUPERANNUATION BOARD:** This board, constituted under *The Public Service Act*, is made up of three members, including the Provincial Secretary who is Chairman of the Board.

It is responsible for carrying out the superannuation provisions of the Act, which provides for superannuation allowances for staff members of the Ontario Civil Service who qualify. In addition, the members of the permanent staffs of certain boards and commissions, as well as public service employees employed in connection with the administration of justice, municipal jails and the registry offices, are eligible to contribute to the Public Services Superannuation Fund.

### *Advisory Agencies*

**CIVIL SERVICE BOARD OF REVIEW:** This is an advisory board of appeal constituted by regulation made under *The Public Service Act*. It is composed of three members to whom a civil servant on the permanent staff may present his case before he may be dismissed. A report of the findings of the Board is made to the minister of the department concerned and, if the department decides to proceed with a recommendation for dismissal, must accompany the recommendation.

One member of this Board is appointed by the Government, usually from the senior ranks of the civil service, one member by the Civil Service Association and the Chairman is normally the Chairman of the Civil Service Commission.

**JOINT ADVISORY COUNCIL:** This Council consists of seven members. The Chairman is usually the Chairman of the Civil Service Commission, three members of the Council are appointed by the Government, usually from the senior levels of the civil service, and three members are appointed by the Civil Service Association.

## *Department of the Provincial Secretary*

The Council is mainly concerned with general principles and broad-scale objectives that may influence the Government's policy of legislation affecting civil servants. It gives guidance and assistance to the various departmental councils and receives recommendations on matters of a general service-wide nature for consideration. From time to time the Government refers problems to the Council for its consideration and advice.

### **Addendum, August, 1959**

Since the submission of our memorandum on this Department in October, 1958, three new organizational entities have become associated with the Department.

*Citizenship Branch:* This is a newly created Branch, established for the purpose of providing receptions for New Canadians upon arrival in Ontario and when they receive their citizenship papers, co-ordinating the work of the various Departments of the Ontario Government concerned with New Canadians, and providing information and a counselling source to New Canadians as needed.

*Post Office:* The Post Office was transferred from the Treasury Department and its function is outlined in Memorandum 19 relating to that Department.

*Ontario Alcoholism Research Foundation:* This Foundation now reports to the Provincial Secretary rather than the Minister of Health. Its function is outlined in Memorandum 5 relating to the Department of Health.

*Public Service Superannuation Board:* Two minor changes have taken place with respect to this Board which now consists of four members instead of three and whose Chairman is now the Comptroller of Finances rather than the Provincial Secretary.



# Organization of Government in Ontario

DEPARTMENT OF THE PROVINCIAL SECRETARY EXHIBIT 1

## ANNUAL REVENUES

	<i>Budget</i> <i>1957-58</i>	<i>Actual</i> <i>1957-58</i>	<i>Budget</i> <i>1958-59</i>
<b>ORDINARY REVENUES</b>			
<i>Main Office</i>			
Letters patent	\$ 840,000.00	\$ 627,110.00	\$ 625,000.00
Supplementary letters patent	210,000.00	153,651.95	136,000.00
Extra-Provincial licences	20,000.00	30,636.00	20,000.00
Licences in Mortmain	85,000.00	87,683.21	100,000.00
Annual Returns: current	325,000.00	374,625.79	400,000.00
Annual Returns: arrears	50,000.00	82,639.95	75,000.00
Miscellaneous revenue	30,000.00	34,362.86	30,000.00
Suspense account	—	290.65	—
Marriage licences, etc.	132,000.00	134,140.00	138,000.00
Civil marriage fees	16,000.00	18,930.00	19,000.00
Commissions fees	18,000.00	21,915.00	18,000.00
	<u>\$ 1,726,000.00</u>	<u>\$ 1,565,985.41</u>	<u>\$ 1,561,000.00</u>
<i>Clerk of Legislative Assembly &amp; Chief Election Officer</i>			
Fees on Private bills	\$ 9,000.00	\$ 15,863.13	\$ 10,000.00
Sale of bills	1,500.00	2,084.75	2,000.00
Sessional service	3,000.00	3,685.25	3,000.00
Miscellaneous revenue	100.00	76	—
	<u>\$ 13,600.00</u>	<u>\$ 21,633.89</u>	<u>\$ 15,000.00</u>
<i>Queen's Printer</i>			
Ontario Gazette, advertising and subscriptions	\$ 19,400.00	\$ 21,713.61	\$ 22,000.00
Sales of statutes	6,000.00	7,870.70	6,000.00
Sales of other government publications	15,000.00	11,145.17	17,000.00
	<u>\$ 40,400.00</u>	<u>\$ 40,729.48</u>	<u>\$ 45,000.00</u>
<i>Registrar-General</i>			
Searches, etc.	\$ 275,000.00	\$ 277,136.85	\$ 280,000.00
Change of name	2,500.00	3,453.95	3,000.00
Federal Subvention, etc.	23,500.00	24,626.10	24,000.00
Miscellaneous	—	28.70	—
	<u>\$ 301,000.00</u>	<u>\$ 305,245.60</u>	<u>\$ 307,000.00</u>
<i>Total ordinary revenue</i>	<u>\$ 2,081,000.00</u>	<u>\$ 1,933,594.38</u>	<u>\$ 1,928,000.00</u>

# Department of the Provincial Secretary

## DEPARTMENT OF THE PROVINCIAL SECRETARY EXHIBIT 1 — CONT'D.

### ANNUAL REVENUES

	<i>Budget</i> <i>1957-58</i>	<i>Actual</i> <i>1957-58</i>	<i>Budget</i> <i>1958-59</i>
CAPITAL RECEIPTS			
Public Service Superannuation Fund	\$12,200,000.00	\$15,828,823.34	\$17,000 000.00
Public Service Retirement Fund	1,000,000.00	1,025,047.95	1,070,000.00
<i>Total capital receipts</i>	\$13,200,000.00	\$16,853,871.29	\$18,070,000.00

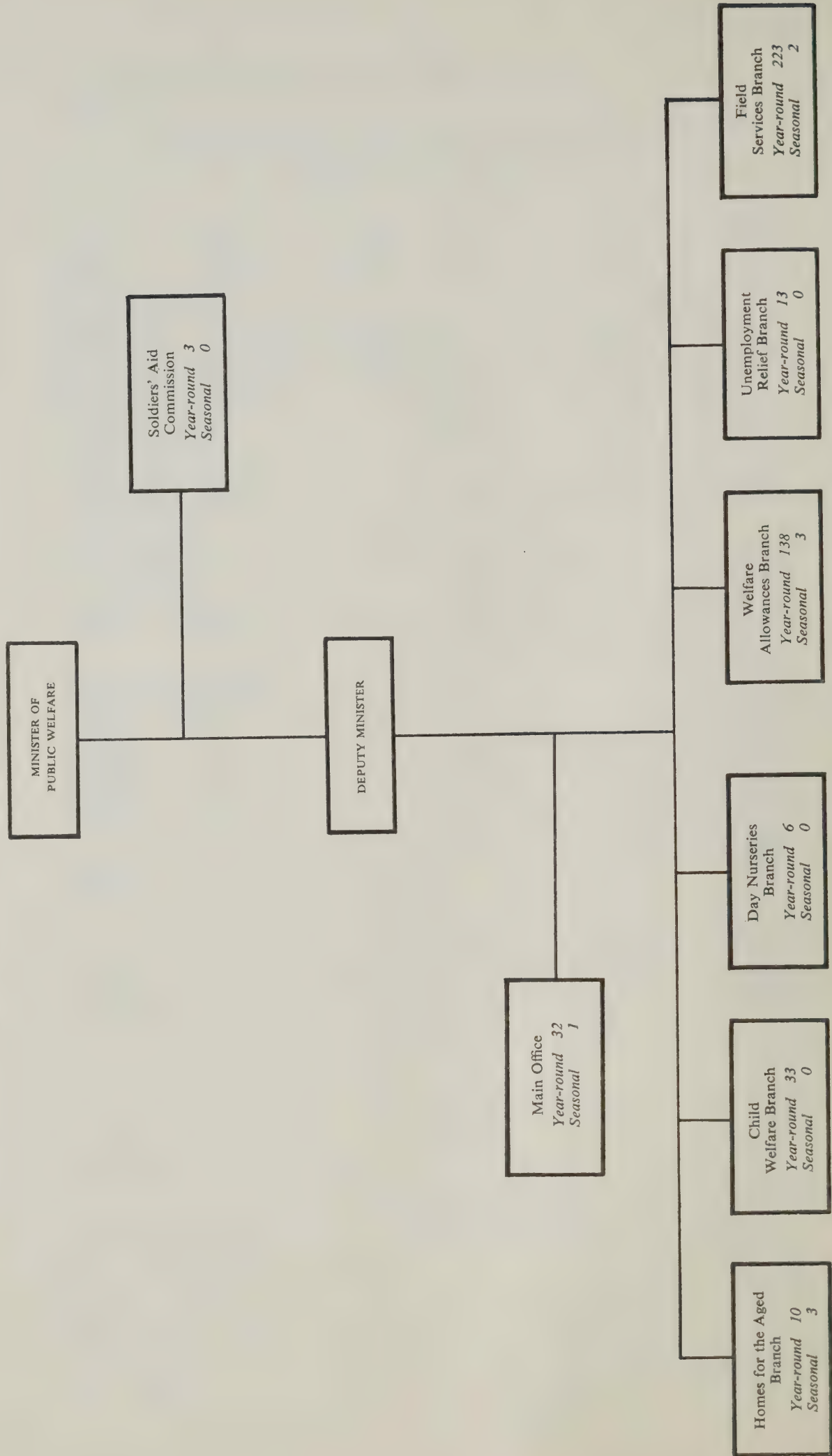
## DEPARTMENT OF THE PROVINCIAL SECRETARY EXHIBIT 2

### ANNUAL EXPENDITURES

	<i>Budget</i> <i>1957-58</i>	<i>Actual</i> <i>1957-58</i>	<i>Budget</i> <i>1958-59</i>
ORDINARY EXPENDITURE			
Main Office	\$ 532,100.00	\$ 507,648.30	\$ 572,900.00
Office of the Speaker	41,200.00	40,416.71	43,400.00
Clerk of the Legislative Assembly	78,000.00	81,410.26	91,200.00
Office of the Queen's Printer	167,500.00	154,458.59	179,000.00
Registrar-General	620,000.00	588,349.12	682,000.00
Sessional requirements	779,200.00	824,154.04	804,000.00
Civil Service Commission	176,000.00	197,596.32	238,500.00
Public Service Superannuation Fund	60,000.00	74,870.95	87,000.00
	\$2,454,000.00	\$2,468,904.29	\$2,698,000.00
CAPITAL DISBURSEMENTS			
Public Service Superannuation Fund	\$3,800,000.00	\$3,499,861.85	\$3,900,00.000
Public Service Retirement Fund	550,000.00	1,037,254.17	700,000.00
	\$4,350,000.00	\$4,537,116.02	\$4,600,000.00

PROVINCE OF ONTARIO

Plan of organization of the Department of Public Welfare and related boards, commissions and like agencies



NOTE: Figures appearing on this chart indicate approximate size of staffs employed in the different branch units of the Department. Separate figures are used to show



## 14. Department of Public Welfare

THE DEPARTMENT OF PUBLIC WELFARE is responsible for providing financial assistance to those entitled to it under designated public welfare legislation. The Department also supplies advice and assistance to municipal welfare authorities and exercises general supervision over Provincial agencies established to care for children and elderly persons to whom, for a variety of reasons, a normal home life is not available.

The Department is organized on a functional basis primarily, as shown on the chart facing this page. The chart sets out the major organizational units of the Department and indicates the approximate number of employees associated with the work of each unit. One Branch—the Field Services Branch—carries out field work for the other Branches. Except in this case, each Branch administers a particular aspect of the Department's activities and the legislation pertaining to this aspect.

As of June, 1958, the Department employed a staff of 467, made up of 338 permanent, 120 temporary and 9 casual employees.

The ordinary revenue of the Department in the 1957-58 fiscal year amounted to approximately \$25,000 and ordinary expenditure in the same period totalled a little over \$36,100,000. Allowances of a type that are recoverable from the Federal Government, and therefore classed as capital disbursements, were paid out in the amount of some \$9,100,000 during the year.

The various services provided by the Department are described below under the heading of the Branches responsible for administering these services and the legislation authorizing their provision.

### Welfare Allowances Branch

This Branch authorizes and administers payment of assistance under

## *Organization of Government in Ontario*

several Acts, whose principal provisions are outlined below. The Branch receives applications for assistance in the areas covered by these Acts and, from reports prepared by the Field Services Branch, determines the eligibility of the applicants for assistance and the amount of assistance to be granted. Each case is then reviewed annually, or more frequently when deemed necessary, to ensure that the person receiving assistance is still eligible. No formal provision is made in the Acts for appeal against the rulings of the Director of the Branch, who is the final authority on the eligibility of an applicant and the amount of assistance to be provided. Reviews of ineligible cases, however, are made freely upon the request of the applicant or other person acting on his behalf.

A Medical Advisory Board is available to advise the Branch whether or not an applicant for assistance under *The Disabled Persons' Allowances Act* is permanently and totally disabled. It also advises as to whether the husband of an applicant under *The Mothers' and Dependent Children's Allowances Act* may be considered permanently unemployable.

The Branch is responsible for the administration of the following statutes:

*The Blind Persons' Allowances Act, 1951*: Allowances up to a maximum of \$55 per month under this Act are granted to blind persons who are 18 years of age and over, who have resided in Canada for 10 years or more and whose income is below a stipulated level.

*The Disabled Persons' Allowances Act, 1955*: Allowances up to a maximum of \$55 monthly are granted under this Act to totally and permanently disabled persons who are 18 years of age and over, who have resided in Canada for 10 years or more and whose income is below a stipulated level.

*The Old Age Assistance Act, 1951*: Assistance up to a maximum of \$55 monthly is granted under this Act to persons in the age group 65 to 69 years, inclusive, who have resided in Canada for 10 years or more and whose income is below a stipulated level.

*The Rehabilitation Services Act, 1955*: Certain rehabilitation services are made available to handicapped persons under this Act. These services include vocational assessment, vocational training and the granting of maintenance allowances, where needed, while the trainees are undergoing courses of instruction.

Handicapped persons are selected for training by a Selection Committee comprised of the Director of Rehabilitation Services in the Welfare Allowances Branch, or his representative, a representative from the Pro-

## *Department of Public Welfare*

vincial Department of Education, and a representative from the Federal Government (the National Employment Service). Each handicapped person so selected is entitled to receive the approved training without cost to himself and without regard to his means. The granting of a maintenance allowance to him while he is undergoing training depends, of course, upon the extent of his own resources.

*The Mothers' and Dependent Children's Allowances Act, 1957*: Under this Act, allowances may be paid to the following who must have a dependent child or children in their care:

- a mother who is a widow, who has been deserted or divorced, or whose husband is in prison;
- a mother whose husband is a dependent father;
- a mother with a dependent child born out of wedlock;
- a dependent father who is acting in place of the mother; and
- a foster-mother on behalf of a foster-child or children.

Dependent children must be under 18 years of age and the applicant must have resided in Ontario for at least one year.

Allowances range from a maximum of \$120 monthly for two beneficiaries up to a maximum of \$180 monthly for seven or more beneficiaries. The actual amount of the allowance in each case depends upon the budgetary needs of the family.

A Board of Review, established under the regulations of *The Mothers' and Dependent Children's Allowances Act*, consists of the Director of Welfare Allowances and two other employees of the Department, designated by the Minister. The Board, upon the request of an applicant, recipient or Regional Welfare Administrator, advises upon the application of the Act and its regulations. The Board also examines cases presenting special circumstances, where investigation shows the advisability of an allowance being paid to an applicant who is not strictly eligible under the Act. In such cases, the Board makes recommendations to the Lieutenant-Governor in Council respecting payment of an allowance.

### **Unemployment Relief Branch**

This Branch administers *The Unemployment Relief Act* and provides supervision and guidance to local authorities with respect to the interpretation and application of regulations made under this Act. Through its own



## *Organization of Government in Ontario*

staff, and that of the Field Services Branch, the Unemployment Relief Branch examines and verifies municipal accounts with respect to shareable expenditures and investigates cases that are appealed to the Branch or that involve special problems.

As authorized by the regulations made under this Act, the Branch assists municipalities in the provision of certain services and aid, such as medical and dental services that are additional to the basic requirements for food, shelter, fuel and clothing, to individuals requiring such assistance. The Branch also authorizes payments of municipal accounts up to a given percentage of relief expenditures and provides supplementary assistance, along with the municipalities, to recipients of certain types of welfare allowances. The type of assistance to be provided and eligibility requirements that must be met by an applicant for such assistance are set out in *The Unemployment Relief Act*.

Under this Act, the Province shares with municipalities in the costs of direct relief paid by municipalities to persons and families in need. In the case of unorganized districts of the North, the Province assumes complete responsibility for the assistance provided. The types of assistance and persons aided include:

- the employable unemployed and unemployable persons;
- supplementary assistance to persons in receipt of Old Age Security, Old Age Assistance, Blind or Disabled Persons' Allowances;
- post-sanatorium allowances to persons discharged from sanatoria;
- allowances for nursing home care, medical services for all recipients under an agreement with the Ontario Medical Association and emergency dental treatment;
- prosthetic appliances and rehabilitation training for persons not eligible under *The Rehabilitation Services Act*; and
- incapacitation allowances.

### **Field Services Branch**

Direct Provincial welfare service to the public is decentralized in the seventeen Regional Welfare Offices of the Department which are located strategically throughout the Province. Each Regional Welfare Office is responsible within its area of jurisdiction for the following duties:

- the completion of all applications, reports and other documents relating to Provincial welfare allowances.

## *Department of Public Welfare*

- the provision of information on welfare programs and personal attention and advice to individuals or families requiring or receiving welfare services.
- the provision of consultation and supervision to municipal welfare offices and the examination and approval of municipal welfare expenditures shared with the Province.

In addition, each Regional Welfare Administrator determines the eligibility of applicants for Mothers' and Dependent Children's Allowances and, where an applicant is eligible, determines the amount of allowance and directs payment accordingly. Regional Administrators also represent the Province in Child Welfare court actions if required.

In the five northern offices the Regional Administrator is responsible for the administration of unemployment relief and indigent hospitalization for residents of any territory without municipal organization.

### **Child Welfare Branch**

The Child Welfare Branch administers the provisions of *The Child Welfare Act* and, through its supervisors, exercises general supervision over the children's aid societies that are responsible for carrying out these provisions. The Branch also exercises general supervision over children's institutions operated under *The Charitable Institutions Act*.

The Branch authorizes payments of grants to children's aid societies and children's institutions. Municipalities are reimbursed by the Province for a share of the payments that they are obligated to make for children committed to the care of the children's aid societies. The provisions of the legislation administered, in part or in whole, by this Branch are described below:

#### *The Child Welfare Act, 1954*

This Act provides for the protection and care of neglected children and children born out of wedlock and for the adoption of children.

#### *The Charitable Institutions Act, 1956*

Under this Act private charitable organizations maintain and operate various types of residential institutions or homes for children, youth, unmarried mothers and the aged. The Child Welfare Branch exercises general supervision over these homes to ensure that the minimum standards established by the Act and regulations are being maintained. The Homes for the Aged Branch performs the same functions in relation to the homes for elderly persons.

## *Organization of Government in Ontario*

Any plans with respect to the erection, alteration or acquisition of buildings by charitable organizations are subject to the approval of the Minister upon the recommendations of the Branch responsible for the supervision of the institution concerned.

### **Day Nurseries Branch**

This Branch is responsible for inspecting and licensing premises where day nurseries are operated and for paying grants to municipalities to defray their cost of maintaining public day nurseries. The Act authorizing these activities is *The Day Nurseries Act*; it provides for:

- inspection and licensing of premises in which group-care by the day is given to more than three children under seven years of age (not under a public or separate school board); and
- payment of grants to municipalities only, to the extent of 50% of their costs of maintaining public day nurseries.

Licences may be granted to municipalities, organizations, groups of parents and private individuals to operate day nurseries, kindergartens and nursery schools. The approval of municipal fire and health departments must be obtained and the regulations under the Act, which apply to all types of group-care for young children, must be observed. Licences must be renewed annually.

### **Homes for the Aged Branch**

This Branch exercises general supervision over homes for the aged operated both by municipalities and by private organizations. The staff of the Branch inspect these homes annually and provide advice and assistance to the homes with respect to improvements in facilities and methods. It also authorizes payments of grants to both municipalities and private organizations operating these homes.

The Branch examines sites and plans for proposed new buildings and alterations to existing homes and authorizes payments of grants to assist in the cost of constructing, equipping and furnishing such homes.

In addition to the authority conferred on the Branch by *The Charitable Institutions Act*, described above, the Branch also administers two Acts which are concerned entirely with assistance given to elderly persons. These Acts are:



## *Department of Public Welfare*

### *The Elderly Persons Housing Aid Act, 1952*

Under this Act, municipalities or private organizations receive Provincial aid for the construction of low rental housing (apartments) for elderly persons. The Province grants an amount up to \$500 for each dwelling unit so constructed.

### *The Homes for the Aged Act, 1955*

Under this Act, care and maintenance are provided for elderly persons in public homes for the aged. The homes are owned and operated by counties, by individual municipalities, or by two or more municipalities in which case the home is referred to as a “joint home”. Persons admitted to these public homes include:

- those over 60 years of age who are incapable of supporting or caring for themselves;
- those who are mentally incompetent, but not eligible for admission to a mental hospital;
- those over 60 years of age who are confined to bed, but who do not require hospital care; and
- persons under 60 years of age who cannot be cared for elsewhere, if the admission of such a person is approved by the Minister.

## **Other Legislation**

One other Act that applies to the operations of the Department as a whole is *The Indian Welfare Services Act, 1955*. This was passed by the Legislature to give assurance to Indian residents of Ontario that they are entitled to the benefits of blind and disabled persons’ allowances and old age assistance to the same extent as any other person.

It also provides that assistance under *The Mothers’ and Dependent Children’s Allowances Act, 1957*, may be paid to a widowed Indian mother, or the wife of a dependent father with a dependent child or children in her care.

Provisions are also made for the signing of agreements between the Government of Ontario and the Government of Canada respecting the costs of:

- the care of Indian children by children’s aid societies;
- the maintenance of Indians in homes for the aged;

## *Organization of Government in Ontario*

- general welfare assistance for Indians;
- rehabilitation services for Indians; and
- such other services as will promote the well-being of Indians.

### **Associated Agency**

*Soldiers' Aid Commission:* This Commission is composed of five Commissioners plus a Chairman, who are appointed by the Lieutenant-Governor in Council on the recommendation of the Minister of Public Welfare.

The Commission deals with applications for assistance from veterans of both World Wars and their dependents, if the veterans are residents of Ontario and after such applications have been investigated by the staff of the Public Welfare Department. The decisions of the Commission are not subject to review by officials of the Department or the Minister of Public Welfare.

The Commission administers trust funds accruing from bequests, one of the principal trusts being the Hammond Fund which was taken over in the 1920's and which was set up to provide assistance to widows of veterans of the First World War. This income is supplemented by government grants, so that financial assistance can be provided to veterans to meet certain emergency needs.

### **Addendum, August, 1959**

Because of the broad nature of the assistance provided by the Department of Public Welfare under *The Unemployment Relief Act*, the title of this Act has been changed to *The General Welfare Assistance Act*. At the same time the name of the Branch responsible for administering this Act has been changed from the Unemployment Relief Branch to the General Welfare Assistance Branch.

## Department of Public Welfare

### DEPARTMENT OF PUBLIC WELFARE EXHIBIT 1

#### REVENUE

	<i>Budget</i> <i>1957-58</i>	<i>Actual</i> <i>1957-58</i>	<i>Budget</i> <i>1958-59</i>
Miscellaneous items	\$3,000.00	\$25,096.40	\$3,000.00

NOTE: 1957-58 Actual includes the following items that are not usually revenue items to the Department:

Old Age Assistance and Allowances for the Blind—

Recoveries by Old-Age Security \$18,892.91

Child Welfare interest on trust funds 4,261.85

\$23,154.76

### DEPARTMENT OF PUBLIC WELFARE EXHIBIT 2

#### EXPENDITURE

	<i>Budget</i> <i>1957-58</i>	<i>Actual</i> <i>1957-58</i>	<i>Budget</i> <i>1958-59</i>
ORDINARY EXPENDITURE			
Main Office	\$ 399,000.00	\$ 353,245.07	\$ 425,000.00
Child Welfare Branch	4,052,500.00	4,017,858.85	5,173,000.00
Day Nurseries Branch	253,000.00	238,402.11	282,000.00
Welfare Allowances Branch	18,427,000.00	19,753,462.18	22,635,000.00
Field Services Branch	784,000.00	830,294.77	1,060,000.00
Homes for the Aged Branch	6,262,500.00	6,299,576.18	6,502,000.00
Unemployment Relief Branch	4,344,000.00	4,619,175.59	6,751,000.00
<i>Total ordinary expenditure</i>	<u>\$34,522,000.00</u>	<u>\$36,112,014.75</u>	<u>\$42,828,000.00</u>

#### CAPITAL DISBURSEMENTS

(to be refunded by Federal Government)

Old-age assistance	\$ 5,223,000.00	\$ 5,758,041.02	\$ 6,930,000.00
Blind persons' allowances	626,000.00	741,268.39	908,000.00
Disabled persons' allowances	2,056,000.00	2,546,853.78	3,369,000.00
Rehabilitation services	100,000.00	99,989.42	135,000.00
	<u>\$ 8,005,000.00</u>	<u>\$ 9,146,152.61</u>	<u>\$11,342,000.00</u>



## 15. Department of Public Works

THE DEPARTMENT OF PUBLIC WORKS is responsible for providing and maintaining the buildings and other facilities necessary to house the operations of all departments of the Provincial Government.

These include office buildings to accommodate the head office staffs of the departments as well as institutional buildings such as mental hospitals, reform institutions, teachers' colleges, etc., which are staffed and operated by the respective departments. The required space may be provided through the erection of suitable buildings or may be leased from outside agencies. If buildings are constructed, the work may be carried out by the Department's own staff or by outside contractors.

In addition to the construction and maintenance of buildings through its Architectural Division, the Department is responsible, through its Engineering Division, for the provision of sanitary engineering services to those buildings where these services are not supplied by the local government of the area in which the buildings are situated. This Division is also responsible for the construction and maintenance of locks and dams throughout the Province and, in one particular area, for their operation.

The activities of the Department can be divided into four main areas. Three of these are carried out by the Architectural Division, under a Deputy Minister of Public Works (Architecture), and consist of:

- the design work, including the preparation of drawings and specifications;
- the actual construction and maintenance work, including repairs and renovations to existing buildings;
- the provision of certain administrative services both to the operating personnel of the Department and to other departments of the Provincial Government; and

## *Department of Public Works*

- the fourth activity, which is carried out by the staff of the Engineering Division under a Deputy Minister of Public Works (Engineering) consisting of providing certain hydraulic and sanitary engineering services described in greater detail subsequently in this section of our report.

The general plan of organization under which the Department operates is shown in the form of a chart overleaf. On this chart are set out the various organizational units through which the Department carries out its responsibilities, as well as the approximate number of employees associated with each unit.

As of October, 1958, the personnel of the Department numbered approximately 4,600 employees, with slightly over 1,100 of these being employed on a full-time basis.

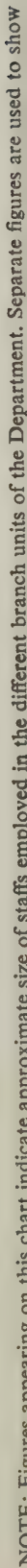
During the fiscal year 1957-58, the revenue collected by the Department amounted to approximately \$250,000. In the same period the ordinary expenditures of the Department totalled slightly over \$9,000,000. Almost \$6,000,000 of this amount was expended on the operation, maintenance and rental of accommodation for the departments of the Provincial Government and another \$1,000,000 on grants toward the construction of new jail accommodation in the Province. Capital payments during the period amounted to a little over \$44,000,000, with almost \$42,000,000 of this being accounted for by the construction of new buildings, including the purchase of land and existing buildings.

### **Architectural Division**

To administer and control adequately the large number of projects being carried out by the Department each year in different parts of Ontario, the Province has been divided into eight zones. When the volume of work in each zone warrants it, it is planned to have a Director of Architecture and Construction in charge of each zone. At present there are five such individuals, with three of them in charge of two zones each. The Directors are responsible to the Deputy Minister (Architecture) for all construction work being performed in their respective zones.

Each Director has a staff of architectural designers and draughtsmen to do the design work on projects in his zone(s). The structural, mechanical and electrical detailing of these designs is carried out by groups of designers under the Structural Engineer, Mechanical Engineer and Electrical

*Plan of organization of the Department of Public Works and related boards, commissions and like agencies*





## *Department of Public Works*

Engineer respectively. These Engineers serve all Directors of Architecture and Construction and are responsible directly to the Deputy Minister (Architecture).

Each Director also has one or more Regional Superintendents of Construction, who are responsible for all construction projects in their regions or zones, with the exception of certain projects which are of a size or nature to warrant the appointment of a Special Superintendent of Construction. These special projects normally are carried out by outside contractors, whereas the other projects, for which the Regional Superintendents are responsible, usually are carried out by the Department's own staff, with work forces being hired from the local labour pool for as long as the job requires.

The magnitude of the maintenance function carried out by the Department may be indicated by the fact that it is responsible for the more important maintenance work on well over 2,000 buildings in the Province, ranging from single family dwellings to multi-storied office buildings and mental hospitals, with several new buildings being added each year.

To direct this maintenance work, the Department plans to have a General Superintendent of Mechanical Services responsible for each of the more densely populated zones or for two of the more sparsely populated zones. At present there are five such General Superintendents to complement the five Directors of Architecture and Construction. They carry out the maintenance work in their zones, as notified of the need by either the Director of Architecture and Construction, the Regional Superintendent or the government department operating the building. If the work is of such a nature that it can be performed by the Regional Superintendent's staff and such staff is available, the General Superintendent of Mechanical Services uses them to carry out the work. Otherwise he arranges for the work to be contracted out to local tradesmen.

In addition to the internal administrative services normally found in a government department of this size, the Department of Public Works, in its capacity as landlord to other government departments provides two services that are peculiar to this function. These services are provided to all government office buildings in Metropolitan Toronto as well as those buildings outside Toronto that are occupied by more than one government department. The services are:

- the care of the buildings, including janitorial, cleaning and minor maintenance work, and of the grounds including landscaping, snow removal and the operation of the Provincial greenhouses.

## *Organization of Government in Ontario*

- the direction and co-ordination of the internal communication systems within the buildings, including the supervision of a large group of telephone and telegraph operators, the maintenance of an up-to-date telephone directory, the processing of requests for local or extension telephones, the tracing of long distance calls, etc.

Finally, in regard to grants for jail accommodation, the Provincial Government assists counties in Southern Ontario to finance the cost of constructing new jails or extensions to existing jails. The Department of Reform Institutions approves the plans for these projects and applies to the Treasury Board for a grant. If the grant is approved, the county then prepares a statement of cost and forwards this to the Department of Public Works which checks the statement and prepares an Order-in-Council for payment of the amount from funds provided in the Department's estimates.

### **Engineering Division**

As noted previously, this Division, under the direction of the Deputy Minister of Public Works (Engineering), carries out two engineering functions. These are described below:

*Sanitary Engineering Branch:* The staff of this Branch prepare plans and specifications for, and supervise the construction of, water, sewerage and drainage services to serve the buildings constructed by the Architectural Division of the Department.

*Hydraulic Engineering Branch:* This Branch is responsible for the design, construction and maintenance of locks, dams and navigable channels on inland waterways in the Province. In most cases, these locks, dams, etc., are operated by the Department of Lands and Forests. However, the Division itself is responsible for operating one system of dams and locks in the Muskoka and Magnetawan areas, to control water levels in these regions as a compromise between the interests of cottage owners, boat owners and private power systems.

Staff of the Engineering Division are responsible also for administering grants made under *The Provincial Aid to Drainage Act, 1954*. Under this Act, the Department of Public Works is authorized to make grants in respect to drainage works, the main purpose of which is to drain agricultural lands, on the following basis:

- 1/3 of the cost if the work is in a county.

## *Department of Public Works*

- 2/3 of the cost where the work is in a municipality, in a territorial district or a provisional county.
- 80 per cent where the work is in a territorial district but not in a municipality.

When an application is made for a grant under the Act, engineers of the Division inspect and approve plans for the drainage project and also inspect the finished project before making their recommendations with respect to the payment of the grant.

### **General Legislation**

The only Act not directly concerned with the work of one division of the Department or a Commission associated with it, and therefore described in other parts of this memorandum, is *The Public Works Act*. This is the Act under which the Department of Public Works was established and which defines the property coming under the control of the Department and gives the Department its powers to expropriate and enter upon land for the purpose of carrying out its functions.

Where compensation cannot be agreed upon between the Department and an aggrieved land owner, the procedure to be followed is outlined in the Act. In essence, it states that the matter may be referred by either party to a judge for arbitration or the Minister may, at his discretion, refer the matter to the Ontario Municipal Board. Where the amount of the claim exceeds \$500, either party may, by leave of the Court of Appeal, appeal to that Court from any determination or order of the Judge or the Ontario Municipal Board in respect to compensation.

### **Boards and Commissions**

There are only two Commissions that are responsible, under their respective Acts, for reporting through the Minister of Public Works to the Legislature. These are the Ontario Water Resources Commission, established as a corporation without share capital by the Act of the same name in 1956 and continued under *The Ontario Water Resources Commission Act, 1957*, and the Ontario Northland Transportation Commission also established under an Act of the same name.

Both of these Commissions are described in separate memoranda to the Committee, so we have not thought it necessary to duplicate this information in our report.



## *Organization of Government in Ontario*

### **Addendum, August, 1959**

The Department of Public Works is in the midst of a major reorganization which will not be completed for another six to twelve months.

Amongst the more important changes that have taken or are taking place are the following:

1. With the retirement of the former Deputy Minister (Architecture) and Chief Architect, the Department has been reorganized under one Deputy Minister.
2. A Chief Architect has been appointed with responsibility for all of the construction and maintenance work of the Department.
3. All design and drafting work has been pooled under an Assistant Chief Architect.
4. Sanitary Engineering has been combined with the other engineering design involved in constructing and servicing buildings.
5. The executive Officer to the Deputy Minister has assumed responsibility for certain of the administrative aspects of the Department's operations.

#### DEPARTMENT OF PUBLIC WORKS EXHIBIT 1

##### REVENUE

	<i>Budget</i> <i>1957-58</i>	<i>Actual</i> <i>1957-58</i>	<i>Budget</i> <i>1958-59</i>
ORDINARY REVENUE			
Rentals	\$182,000	\$234,863.76	\$206,000
Commissions on telephones and telegraphs	6,000	6,668.00	6,000
Sale of materials	4,000	8,770.29	4,000
Miscellaneous	3,000	5,576.30	4,000
<i>Total</i>	<i>\$195,000</i>	<i>\$255,878.35</i>	<i>\$220,000</i>

## Department of Public Works

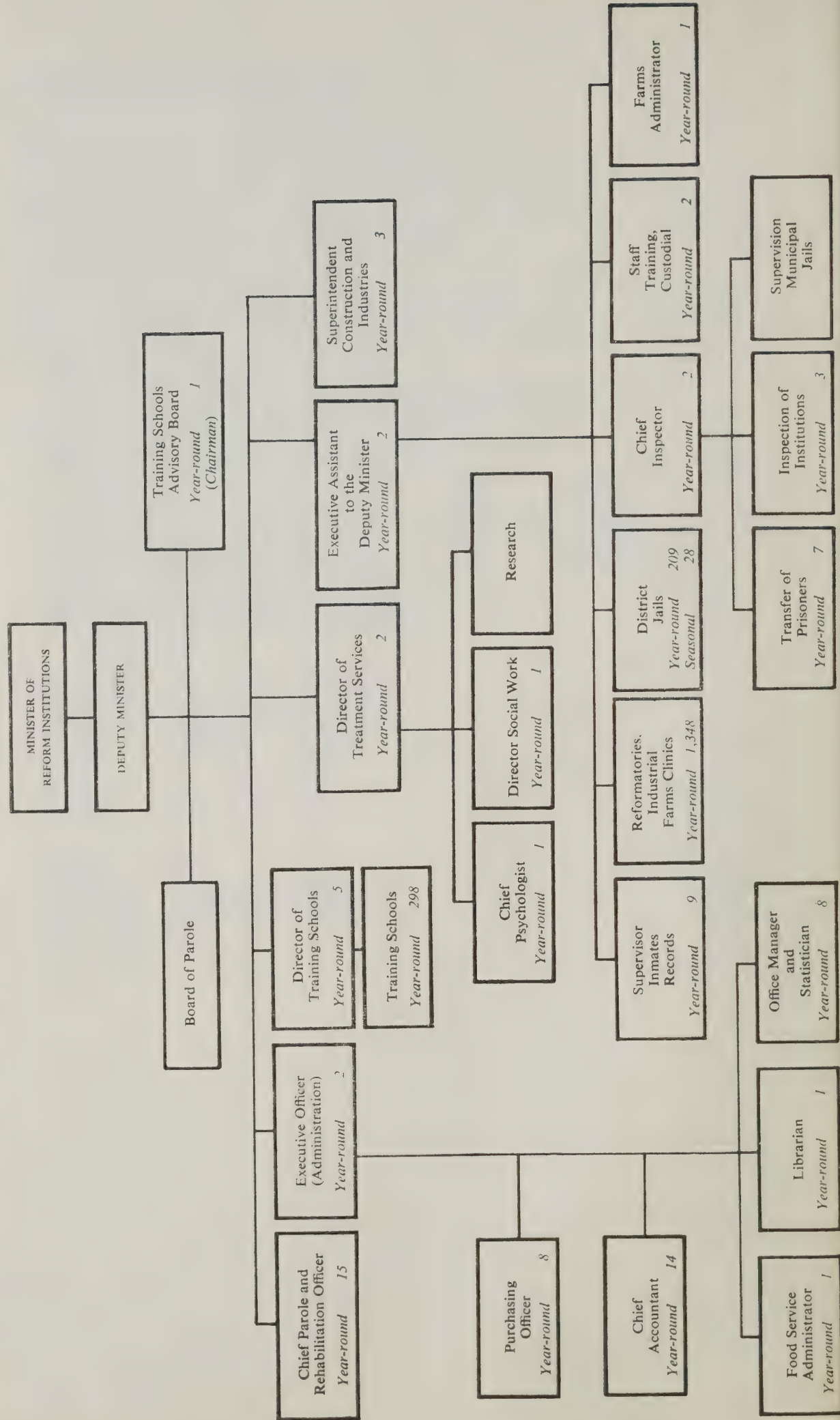
### DEPARTMENT OF PUBLIC WORKS EXHIBIT 2

#### EXPENDITURE

	<i>Budget</i> <i>1957-58</i>	<i>Actual</i> <i>1957-58</i>	<i>Budget</i> <i>1958-59</i>
<b>ORDINARY EXPENDITURE</b>			
Main Office	\$ 1,055,500	\$ 999,995.64	\$ 1,530,000
Maintenance of Ontario Government Buildings	5,410,500	5,177,472.42	6,743,000
Leased premises	650,000	738,109.95	950,000
Maintenance of locks, bridges, dams, docks, etc.	120,000	115,648.27	140,000
Aid to drainage	550,000	535,218.59	650,000
Operating expenses of Ontario Water Resources Commission	840,000	518,063.24	840,000
Grants towards the cost of construction of new jail accommodation	1,500,000	940,204.40	500,000
Miscellaneous	145,000	75,063.16	255,000
<i>Total</i>	<u>\$10,271,000</u>	<u>\$ 9,099,775.67</u>	<u>\$11,608,000</u>
<b>CAPITAL PAYMENTS</b>			
New buildings	\$45,000,000	\$41,867,106.75	\$50,000,000
Municipal drainage works	20,000	4,811.75	20,000
Storage dams and docks	650,000	638,994.21	850,000
Grant re dredging in Muskoka	20,000	—	20,000
Remedial works to alleviate flooding, erosion, etc.	200,000	6,194.12	200,000
Construction and installation of plant and equipment for the Ontario Water Resources Commission	15,000,000	1,722,032.12	15,000,000
<i>Total</i>	<u>\$60,890,000</u>	<u>\$44,239,138.95</u>	<u>\$66,090,000</u>

# PROVINCE OF ONTARIO

*Plan of organization of the Department of Reform Institutions and related boards, commissions and like agencies*





## 16. Department of Reform Institutions

THIS DEPARTMENT submitted directly to the Secretary of your Committee a report dealing with its structure and functions. What follows is a literal transcript of that report, with the exception that one or two sections have been condensed where they appeared to contain more detail than was necessary for the Committee's purpose. Copy of the full report is in the Committee's files.

The Department of Reform Institutions has full control and jurisdiction over:

- 5 Reformatories

- 5 Industrial Farms

- 8 District Jails

- 4 Training Schools

It also exercises supervision over and carries out inspections of:

- 2 City Jails

- 35 County Jails

- 3 Private Training Schools (owned and operated by Roman Catholic Orders)

- 1 Industrial Refuge for Females (owned and operated by a Roman Catholic Order).

The organization chart submitted by the Department and which is set out facing this page shows the general plan of organization of the Department. (In its report the Department outlines the principal duties of the various officers, but these have been omitted in the interest of brevity). The number of salaried employees on the establishment of the several units comprising the Department currently totals 1,945 and there are 28 casual employees.

## *Organization of Government in Ontario*

Casual staff are employed consistently only at the district jails, where they are used to relieve members of the permanent staff at vacation times, or on occasions of illness or other absences. Casual staff may also be employed on special occasions, such as death-watch requirements or hospital guards. They are paid only for the actual time worked.

The staff of the 37 city and county jails are not Provincial civil servants but are paid by the individual municipalities. The total number of staff regularly employed at these jails is 685. In addition there are some 133 casual employees, who are employed under similar circumstances as the casual staff at the district jails.

Ordinary expenditures are provided by votes of the Legislature. There are no capital payments. Funds are provided under three Votes, one each for the Main Office and Board of Parole and one covering all institutions, (reformatories, industrial farms, training schools and district jails).

The Main Office Vote covers operations of that office only, including salaries, travelling expenses, maintenance, prisoners' rehabilitation expenses, prisoners' removal between jails and institutions, railways fares of discharged prisoners, grants to Salvation Army, prisoners rehabilitation societies, private training schools, Ontario universities, sanatoria (custodial expenses of prisoners).

The Board of Parole Vote covers allowances and expenses of Members of Board attending meetings at various institutions and at Main Office. It also covers salaries, travelling expenses and maintenance for Parole Office.

The Vote providing funds for the Institutions is divided into four items:

- salaries of officers and employees.
- general maintenance, covering all goods, services, etc., required for the maintenance of prisoners, also pupils in Training Schools.
- maintenance and repairs to properties, covering all buildings, grounds, equipment, steam and electric plants; purchase of live stock, vehicles and farm implements; lumbering and saw-mill operations.
- industrial requirements, covering purchase of raw materials, machinery repairs, expenses, etc., in connection with industrial operations at seven reformatories and industrial farms. Expenditures from this item are returned as revenue through sale of manufactured goods to institutions and other departments of the Provincial Government.

## *Department of Reform Institutions*

Each of the several institutions is apportioned funds from each of these four items for their individual requirements and budgetary control is maintained by the Accounts Branch of Main Office.

Ordinary revenue of the Department is derived mainly from the institutions as follows:

*Perquisite Revenue*: payments by staff for room and board, house rentals, uniform deposits, meals, etc.

*Custodial Revenue*: sale of milk, live stock, farm produce, electric power and various other items and services.

*Industrial Revenue*: sale of goods manufactured by industrial operations at seven institutions. This revenue is treated as a refund of expenditure at the end of the fiscal year.

*Maintenance Recovery*: payments by municipalities towards maintenance of pupils in training schools as provided for by statute.

Departmental expenditures for fiscal 1957-58 totalled almost \$12 million and revenues were about \$3.3 million. Budgeted expenditures for fiscal 1959 total \$15.1 million. Details are shown in Exhibit 1 at the end of this memorandum.

There are two Boards which operate in conjunction with this Department: The Board of Parole and the Training Schools Advisory Board.

The Board of Parole is appointed under authority of *The Prisons and Reformatories Act*, Section 43 of the Statutes of Canada, and of *The Parole Act*.

Under *The Parole Act* the Board shall be composed of not more than nine members, one of whom may be designated chairman, all appointed by the Lieutenant-Governor in Council. At the present time, there are six members and the position of chairman is vacant.

The remuneration of the chairman is by annual salary but other members of the Board receive travelling expenses plus a per diem allowance for each meeting attended at institutions and at the Main Office.

The duties and responsibilities of the Board are to interview and consider the case of every prisoner sentenced in Ontario to an indeterminate sentence and to decide whether or not such prisoner shall be released on parole under certain conditions. For this purpose, members of the Board attend 7 or 8 meetings each month held at 6 institutions and at the Main Office. During the past fiscal year the Board interviewed prisoners on 1,907 occasions for purposes of considering parole.

The Training Schools Advisory Board operates under authority of *The Training Schools Act*. The Board consists of 5 members, one of whom



## *Organization of Government in Ontario*

is the chairman, all appointed by the Lieutenant-Governor in Council. The Chairman of the Board, who is now a full-time employee, receives an annual salary but the other members of the Board serve without remuneration, other than necessary travelling expenses, while visiting Training Schools, attending meetings of the Board, etc.

The Board acts in an advisory capacity to the Minister and consults with him when requested concerning the administration of *The Training Schools Act* or the Training Schools. The members meet weekly to consider reports from Training Schools or Placement Officers relative to pupils and make recommendations to the Minister for placement of wards in foster homes or at work, changes in placements, return to school for further training, termination of wardship and other similar matters. Members of the Board visit the Training Schools periodically, to satisfy themselves as to the administration and curriculum of the school and as to health, welfare and other matters concerning the pupils.

### **Relationships with other Departments, etc. of Provincial Government**

*Department of Public Works* undertakes new construction of institutions and buildings, major additions, alterations and repairs of a capital nature, also additions and replacement of plant equipment.

*Department of Highways*—Reform Institutions manufacture survey monuments and snow fencing for sale to Department of Highways.

*Department of Transport*—Automobile licence plates are manufactured and sold to Department of Transport according to their requirements.

*Department of Health*—Several institutions provide various mental hospitals throughout the Province with inmates' clothing, canned fruit and vegetables, fresh and cured meats, etc., produced in the industrial plants, also fresh milk from dairy herds.

*Department of Lands and Forests*—Arrangements have been made between the Department of Lands and Forests and this Department whereby prisoners are engaged during summer months in clearing bush and land in various sections of the Province, so that Provincial parks and picnic spots may be established. Some institutions also manufacture picnic tables and fireplace grilles for use in these places. Reforestation projects under supervision of officials of the Forestry Branch, are carried out by prisoners in various parts of the Province. In the Northern Section of Ontario, two institutions provide parties of prisoners to assist in fighting bush fires in

## *Department of Reform Institutions*

the area. These prisoners receive training from, and when fighting fires operate under the supervision of, Forestry Branch officials.

### **Legislation**

The Department of Reform Institutions is responsible for the administration of the following Provincial Acts:

*The Reformatories Act:* Provides for the establishment and operation of reformatories in Ontario for adult male prisoners; appointment of necessary officials and officers; transfer of prisoners to and from reformatories; other matters relative to administration of the institutions and maintenance of prisoners therein; authority for making rules and regulations.

*The Andrew Mercer Reformatory Act:* Provides similar authority for operation of Andrew Mercer Reformatory for female prisoners as that provided under *The Reformatories Act* for male prisoners.

*The Industrial Farms Act:* Provides for the establishment of Provincial industrial farms for adult male prisoners. Also establishment of such institutions by counties or cities of not less than 50,000 population. Provides for equipping and maintaining; transfer of prisoners to and from; appointment of officers; authority for making rules and regulations.

*The Jails Act:* Designates jails and provides authority for the operation, inspection, transfer of prisoners, certain financial arrangements and various other matters concerning jail administration.

*The Penal and Reform Institutions Inspection Act:* Provides authority for the inspection by Department inspectors of all Provincial penal institutions, jails and any place for the confinement or detention of prisoners.

*The Parole Act:* Gives authority for establishment of Board of Parole and appointment of members. Provides authority for release on parole of prisoners serving indeterminate sentences, also for the making of regulations defining powers, duties and responsibilities of the Board and for defining the conditions under which a prisoner may be paroled.

*The Female Refuges Act:* Defines and classifies the prisoners who may be committed or transferred to a Female Refuge. Provides authority for many matters affecting operation and administration of this type of institution.

*The Female Patients and Prisoners Protection Act:* Forbids any person to have carnal knowledge of any female confined to any institution

## *Organization of Government in Ontario*

subject to inspection by Inspector of Prisons and provides penalties for contravention.

*The Extramural Employment of Persons under Sentence Act:* Provides authority for sentenced prisoners to be employed beyond the limits of any jail or institution and while so employed to be under the direction of the parole and rehabilitation officers of the Board of Parole.

*The Training Schools Act:* Provides for the establishment of Ontario Training Schools by the Province and Private Training Schools by any religious or charitable organization to which children under 16 may be committed by the Courts or admitted on the order of the Minister. Authorizes the establishment of the Training Schools Advisory Board, which acts in an advisory capacity to the Minister. Children are committed or admitted to the Training Schools under authority of this Act, which also provides for the operation, administration and inspection of the Schools.

In addition to the above Acts for which this Department is responsible, there are sections of various other Acts, which direct or control procedure under given circumstances, or from which are obtained authority for necessary action.

*The Anatomy Act:* Disposal of body following death of person confined to a public institution.

*The Coroners Act:* Directs that notification of death of a prisoner shall be given to Coroner, who shall hold an inquest.

*The Factory Shop and Office Building Act:* Plants, workshops and other premises at our institutions are subject to inspection and control of this Act.

*The Mental Hospitals Act:* Several sections of this Act concern the admission to Mental Hospitals of mentally ill prisoners—providing authority and defining procedure.

*The Municipal Act:* Sections of this Act (more particularly Part XVIII—Sections 363 to 385) provide for the establishment and maintenance of city and county jails in conformity with the provisions of *The Jails Act*.

*The Public Hospitals Act:* When required, prisoners are transferred to general hospitals for treatment, in most cases as indigent persons. This Act provides for payment of hospital charges by the municipality of which the prisoner is a resident. See Sections 1 (L) and 16.

*The Venereal Diseases Prevention Act:* Provides authority for magistrates to commit persons infected with venereal disease to one of the institutions for purposes of treatment. Further authority is provided for



## *Department of Reform Institutions*

retention in institution, beyond date of release, of any person who is infected and should receive further treatment.

In addition to the above mentioned Provincial Acts, much authority for the operation of institutions and custody of prisoners therein is derived from *The Prisons and Reformatories Act* (Statutes of Canada) and *The Criminal Code of Canada, 1955*.

### **Addendum, September, 1959**

As a result of the opening of new institutions in recent months, the number of reformatories under the jurisdiction of the Department has been increased to six and the number of training schools increased to five.

With the retirement of the Director of Training Schools, supervision of these schools has been assigned to the Chairman of the Training Schools Advisory Board and his Executive Assistant. Thus the Board now combines some administrative duties with its advisory function.

# Organization of Government in Ontario

## DEPARTMENT OF REFORM INSTITUTIONS

### EXPENDITURES AND REVENUES, 1957-58 AND BUDGET, 1958-59

EXPENDITURES		
Main Office		\$ 989,316.08
Board of Parole		81,317.68
Institutions:		
Salaries	\$5,101,874.01	
General maintenance	2,831,395.68	
Repairs to buildings	360,592.12	
Industries	<u>2,589,977.60</u>	10,883,839.41
Special Warrant (St. John's Training School)		<u>35,000.00</u>
<i>Total expenditures</i>		\$11,989,473.17

REVENUES		
Main Office		\$ 35,050.90
Institutions:		
Perquisites	\$ 216,765.68	
Custodial	273,407.53	
Industrial	2,588,730.31	
Maintenance recovery	<u>203,273.30</u>	3,282,176.82
<i>Total revenue</i>		\$ 3,317,227.72

#### ESTIMATED EXPENDITURES FOR FISCAL YEAR 1958/59

Main Office		\$ 1,091,000.00
Board of Parole		116,000.00
Institutions:		
Salaries	\$7,081,000.00	
General maintenance	3,455,000.00	
Repairs to buildings	445,000.00	
Industries	<u>2,960,000.00</u>	13,941,000.00
<i>Total Estimated Expenditures Voted by Legislature</i>		\$15,148,000.00

## 17. Department of Transport

THE DEPARTMENT OF TRANSPORT was established on July 1st, 1957, to take over a number of responsibilities and functions previously dealt with by the Department of Highways. These responsibilities and functions, all having to do with the use of public roads and highways in the Province, may be classified in four main categories as follows:

- the licensing and control of vehicles and drivers using public roads and highways in Ontario.
- the development of plans for taxing vehicles to provide funds for the construction and maintenance of highways and roads.
- the development of measures for regulating and controlling traffic on the highways.
- the development and administration of a program for promoting the use of safe practices on the public roads and highways.

As of July, 1958, the Department employed a full-time staff that totalled about 600 employees, with an additional 75 persons employed on a seasonal basis, primarily in the Motor Vehicles Branch.

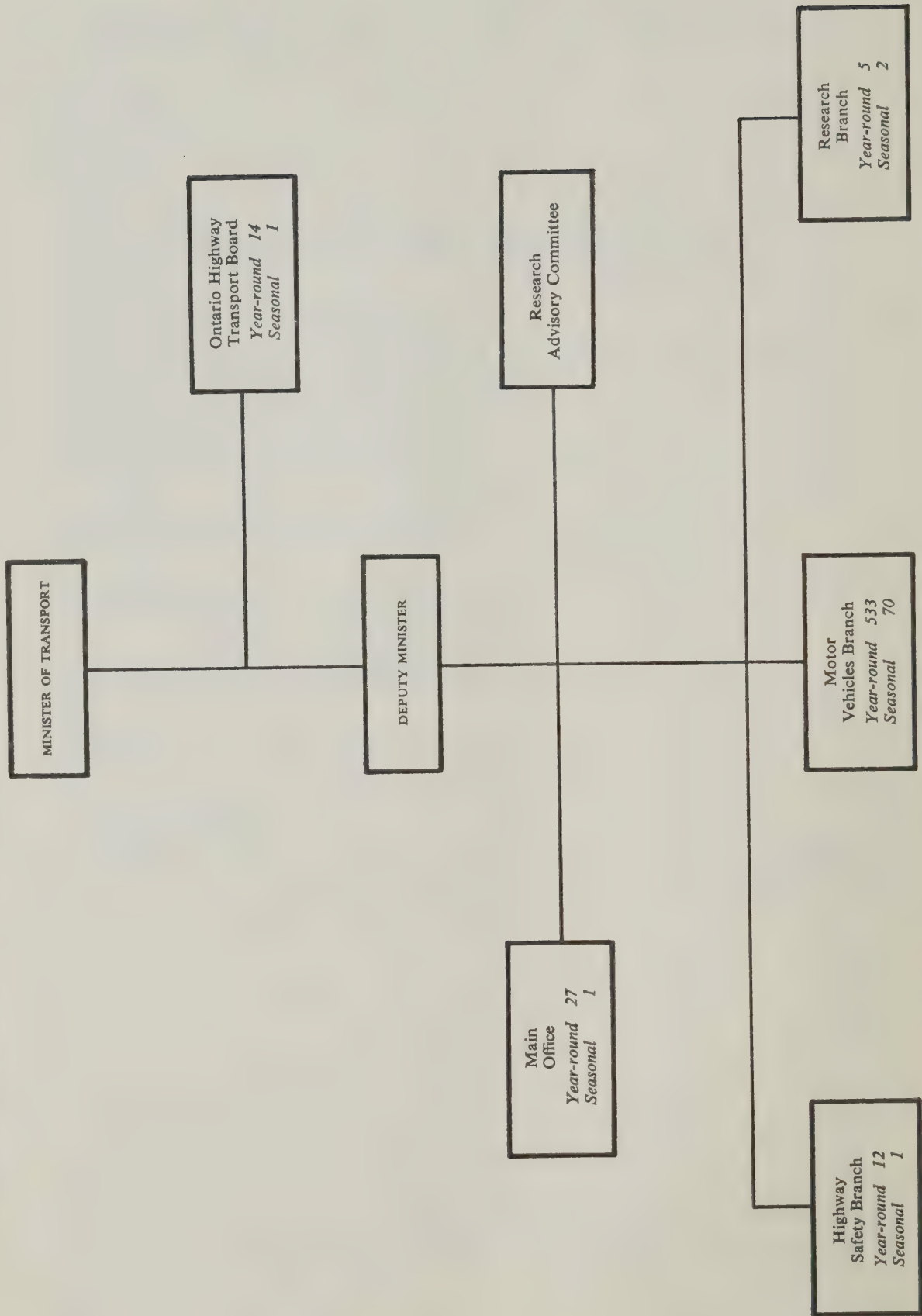
The general plan of organization of the Department is shown in chart form overleaf. In addition to showing the various organizational units included in the Department, the chart indicates the approximate number of employees associated with each unit.

Ordinary revenues collected by the Department in the 1957-58 fiscal year exceeded \$52,000,000. Registration and licence fees were the source of all but an insignificant share of this amount. Ordinary expenditures totalled approximately \$2,800,000 in the same period. Payments made during the year into the Unsatisfied Judgment Fund, which is administered by the Department, amounted to some \$2,900,000 and payments out of the Fund to almost \$1,800,000. The purpose of this Fund is to provide a source of



PROVINCE OF ONTARIO

*Plan of organization of the Department of Transport and related boards, commissions and like agencies*



NOTE: Figures appearing on this chart indicate approximate size of staffs employed in the different branch units of the Department. Separate figures are used to show

compensation for victims of damages suffered on the highways at the hands of vehicles operated by persons who are not financially responsible. A detailed breakdown of revenue by source, and expenditure by Branch is set out in Exhibits 1 and 2 attached to this memorandum.

We describe the responsibilities and functions assigned to the Department and to its associated agency, the Ontario Highway Transport Board, under headings that deal separately with each of the Department's three main areas of activity.

## **Licensing and Control of Vehicles**

Provincial legislation relating to the licensing and control of motor vehicles and over drivers of those vehicles, requires broadly that:

- all motor vehicles operated on the roads and highways of the Province must be registered and covered by an annually issued licence.
- all drivers of motor vehicles must have completed successfully a prescribed examination and obtain an annual licence to drive.
- all motor vehicles engaged in the transportation of goods or persons for compensation, other than taxicabs or other passenger vehicles operated solely within the corporate limits of one urban municipality, must obtain a specific authorization to supply that type of service.

The Acts which make provision for the establishment of these controls are:

### *The Highway Traffic Act*

This Act includes provisions for requiring the registration and licensing of motor vehicles of all kinds as well as for the registration and licensing of drivers.

### *The Public Commercial Vehicles Act*

Provides authority for specific regulation and licensing control over vehicles engaged in transporting goods for compensation.

### *The Public Vehicles Act*

Provides for licensing and regulating the operation of motor vehicles engaged in transporting passengers for compensation.

### *The Motor Vehicles Transport Act (Canada) 1954*

Provides for regulation and control of interprovincial and international transportation of goods and passengers on the highways.

## *Organization of Government in Ontario*

### *The Ontario Highway Transport Board Act*

Provides for the establishment of a Board that will receive applications to operate public vehicle services for compensation and in appropriate cases issue certificates that form the basis for the issuance of a licence by the Minister of Transport.

The Department's Motor Vehicles Branch and the Ontario Highway Transport Board deal with the administration of these Acts and the regulations established under them. The separate functions of the two units are outlined below.

*Motor Vehicles Branch:* This Branch employs almost 90% of the total staff of the Department. It maintains facilities for the annual issuing of all motor vehicle permits and registration plates and collecting fees in accordance with the regulation covering vehicle registration. Similarly it issues all drivers' licences to those entitled to receive them and directs the Department's program of driver examinations to ensure that applicants have the qualifications required for various categories of driving licence.

The Branch maintains complete records of all vehicle licence registrations for the use of police and other law enforcement agencies as well as records of convictions registered against holders of driving licences. It uses the latter record to bring to attention cases of unsatisfactory driving experience and, on the basis of the information assembled, requires hazardous drivers to file insurance certificates with the Branch or suspends their licences.

In this same connection, the Branch processes the requests for payments out of the Unsatisfied Judgment Fund as provided for in *The Highway Act*. This Fund derives its income from a levy of \$1.00 paid by every person to whom a driver's licence is issued, except for uninsured owners of cars, who pay \$5.00 instead of \$1.00. The revenue from this source is supplemented by recoveries during the year from judgment debtors. Payments out of the Fund are made as a result of judgments arising out of motor vehicle accidents, where the defendant is not financially responsible.

To provide a means of enforcing load weight limitations established by regulations covering the operation of commercial vehicles, the Branch operates highway weighing stations throughout the Province at which checks are made to compare actual road weights being carried by such vehicles against allowed limits.

The Branch is also responsible for reviewing all municipal by-laws relating to the control of traffic, to ensure uniformity of such by-laws throughout the Province. Where such is the case, the Department approves



## *Department of Transport*

the by-laws as provided for in both *The Highway Traffic Act* and *The Municipal Act*. *The Highway Traffic Act* assigns the Registrar of the Department wide powers in respect to the approval of municipal traffic by-laws and to prosecutions under the Act. However, the required specification of such by-laws and the nature of offences have been very largely defined in clear terms by the provisions of the Act or its associated regulations. Thus decisions on these matters can be made on the basis of routine reviews. Rulings and decisions of the Registrar may be appealed to the Deputy Minister and the Minister. Where necessary, the Branch obtains assistance from the Department of Highway Traffic Engineers to carry out traffic surveys in connection with these matters.

*Ontario Highway Transport Board:* Every applicant for a licence to operate a vehicle coming under the terms of the *Public Commercial Vehicles Act*, *The Public Vehicles Act* or *The Motor Vehicles Transport Act (Canada)*, 1954, must first obtain a "certificate of public necessity and convenience" from the Ontario Highway Transport Board. The Board is made up of five members appointed by the Lieutenant-Governor in Council on the recommendation of the Minister of Transport. Prior to its formation in 1957 its functions were dealt with by the Ontario Municipal Board and two of that body's former members are current members of the Board.

It is the responsibility of the Board to require any applicant appearing before it to show proof that the service he is proposing to offer is a necessary service and does not needlessly duplicate an existing service. Hearings are held for the purpose of receiving submissions from applicants and other interested parties are given the right to file objections to any application.

The Board's decision to grant or refuse a certificate in each case is based on its assessment of the need for a proposed service as demonstrated by the evidence presented to it. In reaching its decisions the Board is guided by the general policy that operators who are providing services in both profitable and unprofitable areas are entitled to a measure of protection against the introduction of new competitive services within their more lucrative areas, so long as the quality of service being maintained in these areas is satisfactory.

When a certificate has been issued, the Department may issue an operating licence to the applicant. However, if the Department has information at its disposal that was not brought out at the hearing of an application, and that might bear on the advisability of issuing a licence, the Minister may refer the application back to the Board with a request that the

## *Organization of Government in Ontario*

case be re-considered. In fact, up to the present time no such requests have been made to the Board and all of its decisions have been accepted as final.

Subject to the above qualification, the Board's decisions are final and binding except in respect to two circumstances. The Lieutenant-Governor in Council may, upon appeal from any party, rescind any order of the Board after having first given such notice as he deems appropriate to all parties. In addition, decisions of the Board may be appealed to the Court of Appeal upon any question of jurisdiction or of law if leave to appeal is obtained from the Court.

### **Taxation of Vehicles and Traffic Control**

A Research Branch has been established within the Department to carry on continuous studies of the basis upon which registration fees and other forms of Provincial taxes are assessed against vehicles using the highways and public roads so that funds may be available for the construction and maintenance of those facilities. The purpose of these studies is to provide the senior officials of the Department with comprehensive information which they can use in developing recommendations for an equitable taxation program.

In carrying out its activities in this field the Research Branch works closely with the officials and staffs of the Department of Highways and the Treasury Department. It assembles data relating to financial requirements from those sources and supplies revenue information to them. In addition, it gathers information concerning taxation practices from other government bodies.

In addition, the Branch conducts certain studies of highway traffic control problems designed to lead to the development of measures that will encourage the continued development of the motor transport industry in Ontario.

### **Promotion of Highway Safety Measures**

A Highway Safety Branch has been formed within the Department and is assigned the responsibility for giving overall direction to the highway safety promotion work being carried on in the Province. The function of the Branch is to co-ordinate the various accident prevention activities of other government departments and of private safety agencies into a comprehensive single program. The other government Departments that are

## *Department of Transport*

undertaking safety work of this kind are the Department of Highways, the Department of the Attorney General and the Department of Education. In carrying out its responsibilities, the personnel of the Branch are studying the various independent programs, investigating the causes of traffic accidents and developing recommendations designed to prevent similar occurrence in the future.

Associated with the work of the Department in this field is that of a Research Advisory Committee that acts as an advisory agency to the Minister and Deputy Minister. Its seven members include psychologists, psychiatrists, and a sociologist. The function of the Committee is to consider and recommend research projects designed to reduce highway traffic accidents and to educate operators of motor vehicles.

### **Addendum, August, 1959**

The functions described under the heading of Motor Vehicles Branch in our memorandum of October, 1958, have now been divided amongst four branches, under the supervision of the Deputy Registrar of Motor Vehicles. These branches are:

Motor Vehicle Licence Branch

Traffic Engineering Branch

Driver Control Branch

Enforcement Branch

Each of these branches carries out one of the principal functions combined previously in the Motor Vehicles Branch but described separately in our memorandum.



# Organization of Government in Ontario

## DEPARTMENT OF TRANSPORT EXHIBIT 1

### REVENUE

	<i>Budget</i> <i>1957-58</i>	<i>Actual</i> <i>1957-58</i>	<i>Budget</i> <i>1958-59</i>
ORDINARY REVENUE			
Ontario Highway Transport Board	\$ 60,000	\$ 79,489.68	\$ 70,000
Motor Vehicles Branch	<u>47,200,000</u>	<u>52,562,489.23</u>	<u>52,930,000</u>
	\$47,260,000	\$52,641,978.91	\$53,000,000
CAPITAL RECEIPTS			
Unsatisfied Judgment Fund	\$ 2,200,000	\$ 2,901,572.86	\$ 3,000,000

## DEPARTMENT OF TRANSPORT EXHIBIT 2

### EXPENDITURE

	<i>Budget</i> <i>1957-58</i>	<i>Actual</i> <i>1957-58</i>	<i>Budget</i> <i>1958-59</i>
ORDINARY EXPENDITURE			
Main Office	—	\$ 101,283.48	\$ 246,000
Ontario Highway Transport Board	\$ 97,000	86,460.39	108,000
Highway Safety Branch	—	—	520,000
Motor Vehicles Branch	<u>2,474,000</u>	<u>2,622,316.03</u>	<u>2,941,000</u>
	\$2,571,000	\$2,810,059.90	\$3,815,000
CAPITAL PAYMENTS			
Unsatisfied Judgment Fund	\$2,200,000	\$1,774,983.67	\$3,000,000

## 18. Department of Travel and Publicity

THE PRIMARY RESPONSIBILITY of the Department of Travel and Publicity is the development, promotion and, where necessary, the control of the tourist industry in Ontario. This is accomplished by advising and assisting present and prospective operators of tourist establishments, periodically inspecting such establishments, encouraging the operators to improve the standards of accommodation, facilities and services offered to tourists and by publicizing the major resources and attractions of the Province.

The Department is organized on a functional basis, as shown on the chart overleaf, and its activities are carried on through five main Branches, whose responsibilities are described later in this memorandum.

As of July, 1958, the full-time staff of the Department numbered 115 and the seasonal staff 102. The number of seasonal staff, which is composed primarily of summer help in the Information Branch, becomes almost negligible during the winter months. The number of staff associated with each of the Branches of the Department is indicated on the organization chart.

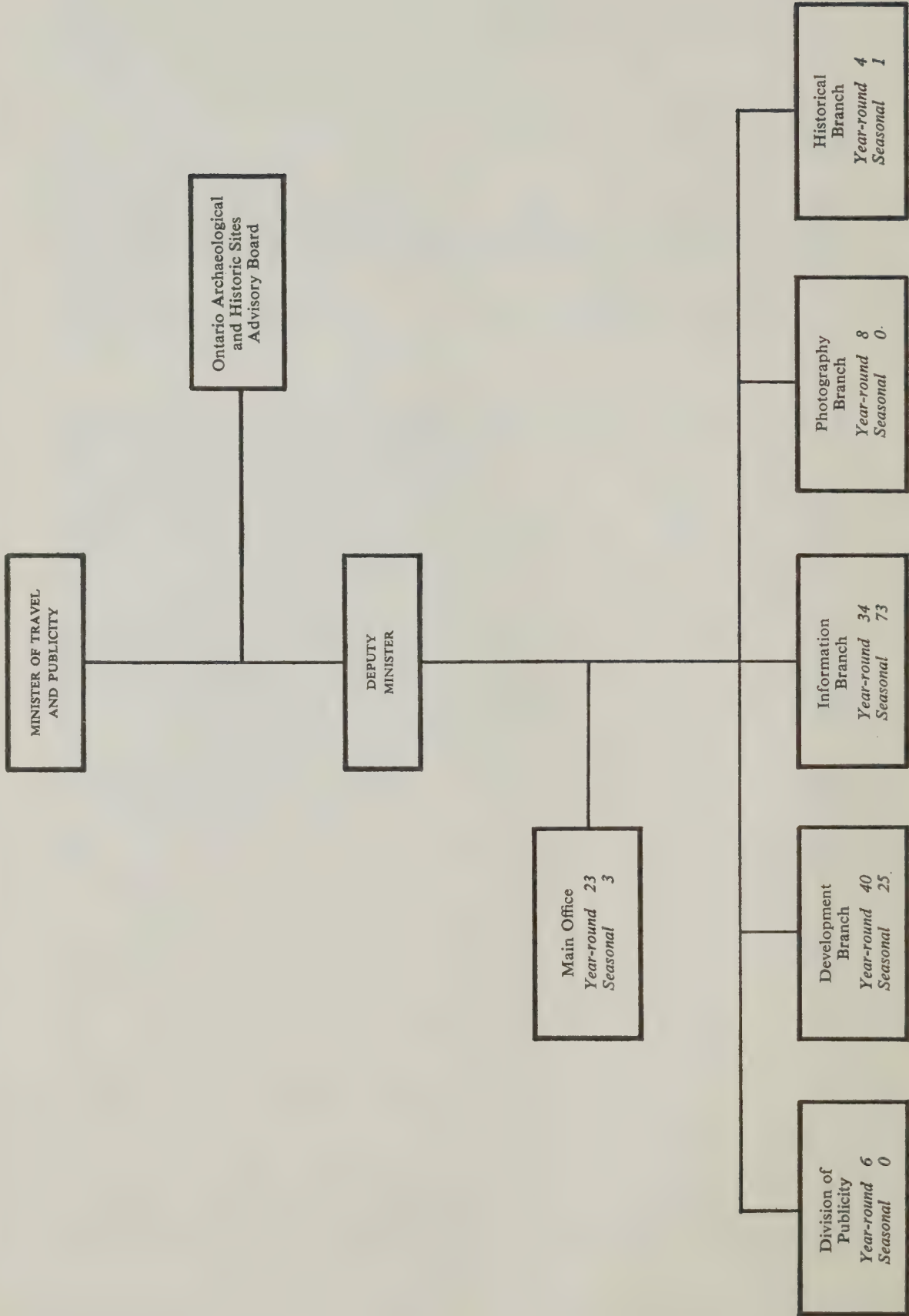
The ordinary revenue of the Department during the fiscal year 1957-58 amounted to slightly over \$26,000, while the ordinary expenditure in the same period totalled approximately \$1,200,000. A further breakdown of revenue by source, and expenditure by Branch, is set out in Exhibits 1 and 2 respectively, at the end of this section.

The more important activities of the Department are described briefly in the paragraphs that follow, under the heading of the Branch or Division responsible for each activity.

*Division of Publicity:* This Division prepares a variety of travel publications designed to publicize the resources, attractions and advantages of Ontario from the tourists' viewpoint. It also prepares publications of a

PROVINCE OF ONTARIO

Plan of organization of the Department of Travel and Publicity and related boards, commissions and like agencies



NOTE: Figures appearing on this chart indicate approximate size of staffs employed in the different branch units of the Department. Separate figures are used to show



## *Department of Travel and Publicity*

general nature, to supply information concerning the administrative organization of the Provincial Government, the services that it provides and economic conditions in Ontario. It prepares the advertising program for the Department of Travel and Publicity and co-ordinates the general advertising of all Provincial departments.

The Division acts as a general contact for news services and similar organizations seeking general information about the Province. It also serves as a general contact office with the public on all matters of an information or public relations nature pertaining to the Ontario Government. This does not include enquiries concerning tourist activities, which are handled by the Information Branch.

*Development Branch:* This Branch is responsible for the administration and enforcement of *The Department of Travel and Publicity Act* and *The Tourist Establishments Act*. It is particularly concerned with raising the standards of accommodation, facilities and services offered to tourists.

This work is carried out through 3 regional and 12 district offices established throughout the Province. Some of the more important duties of these offices include:

- the licensing of all tourist establishments in the Province.
- inspecting and reporting on all tourist establishments and on tourist outfitters' camps.
- advising and assisting present and prospective operators of tourist establishments and outfitters' camps.
- investigating and, if possible, resolving complaints concerning tourist establishments.

The two pieces of legislation referred to above, and under the authority of which the Branch carries out its work, may be described briefly as follows. *The Department of Travel and Publicity Act* brought about the formation of the Department and describes its objectives. It also provides for the passing of regulations controlling the form of advertising done by tourist establishments so as to prevent misleading information being disseminated.

*The Tourist Establishments Act* provides for the making of regulations concerning the licensing and supervision of all tourist establishments except those licensed under *The Liquor Licence Act*. All regulations must be approved by Order-in-Council before becoming effective. Provision is made for the right of appeal to the Minister for a hearing in all cases where a licence has been refused, suspended or cancelled.

## *Organization of Government in Ontario*

Almost all of the enforcement powers of this Branch, and of the Department as a whole, have now been defined by regulations. Thus the Department does not make many rulings but, for the most part, merely enforces the regulations. In the opinion of the Deputy Minister, this has made it a great deal easier for the Department to deal with the public.

*Information Branch:* This Branch supervises 15 Tourist Reception Centres, 12 of which are located at border points between Ontario and the United States. It distributes all Departmental travel publications and co-operates with the owners of resorts, hotels, camps, etc., in the distribution of their published material.

The Branch keeps a variety of statistics on the results of the Department's advertising in daily newspapers, magazines, etc., and also certain statistics on the tourist trade in the Province.

In addition to the above responsibilities, the Branch handles the direct mail enquiries of prospective tourists which amount to approximately 15,000 letters per month.

*Photography Branch:* This Branch produces both black and white and colour stills as well as movies of various tourist and resort areas, which are then made available for the use of those wishing to illustrate articles, newspaper stories, or folders prepared by resort area associations.

*Historical Branch:* This Branch carries out the recommendations of the Ontario Archaeological and Historic Sites Advisory Board once they have been approved by the Minister of Travel and Publicity. These recommendations concern the protection of archaeological sites and the erection of plaques throughout Ontario to commemorate persons, places and events of historical importance.

The Branch also prepares publications of an historical nature and administers grants made under the authority of *The Department of Travel and Publicity Act* to municipally owned museums and to the Ontario Historical Society.

The principal Act administered by this Branch is known as *The Archaeological and Historic Sites Protection Act*. It provides the Minister of Travel and Publicity with the authority to designate any land as an archaeological site or an historic site and to prohibit excavation on and alteration or removal of any archaeological or historical objects from the site without a permit issued by him.

### **Boards, Commissions and Like Agencies**

There is only one board directly associated with the work of the

## *Department of Travel and Publicity*

Department of Travel and Publicity and it acts in an advisory capacity only. Its composition and function are described briefly below.

*Ontario Archeological And Historic Sites Advisory Board:* This Board is appointed by the Minister of Travel and Publicity to advise him on all matters relating to archaeology and history within the Province. It may make recommendations to the Minister as to the proper course of action with respect to any of the areas coming within the jurisdiction of the Historical Branch. The majority of the members of this Board are prominent historians or archaeologists.

### **Addendum, August, 1959**

Since the submission of our memorandum on the Department of Travel and Publicity in October 1958, the following major changes have taken place in the scope of its operations:

*Theatres Branch:* This Branch and its functions, both in its capacity as a Board of Censors and as a Theatres Branch, were transferred intact from the Treasury Department to the Department of Travel and Publicity. The nature of its work is set out in Memorandum 19 on the Treasury Department.

*Archives of Ontario:* Responsibility for maintaining the public records and archives of Ontario was transferred to the Department of Travel and Publicity from the Department of Education. The scope of this unit of government's activities is outlined in Memorandum 4 dealing with the Department of Education.



# Organization of Government in Ontario

## DEPARTMENT OF TRAVEL AND PUBLICITY EXHIBIT 1

### ANNUAL REVENUES

	<i>Budget</i> <i>1957-58</i>	<i>Actual</i> <i>1957-58</i>	<i>Budget</i> <i>1958-59</i>
DEVELOPMENT BRANCH			
Tourist Establishment Licence Fees	\$24,000.00	\$24,110.72	\$24,000.00
Miscellaneous	2,000.00	1,968.93	2,000.00
	<u>\$26,000.00</u>	<u>\$26,079.65</u>	<u>\$26,000.00</u>

## DEPARTMENT OF TRAVEL AND PUBLICITY EXHIBIT 2

### ANNUAL EXPENDITURES

	<i>Budget</i> <i>1957-58</i>	<i>Actual</i> <i>1957-58</i>	<i>Budget</i> <i>1958-59</i>
Main Office	\$ 117,500.00	\$ 123,735.22	\$ 107,000.00
Division of Publicity	593,500.00	619,737.05	702,000.00
Development Branch	211,000.00	203,414.14	251,000.00
Information Branch	196,000.00	206,324.43	236,000.00
Photography Branch	67,000.00	65,943.81	103,000.00
Historical Branch	—	—	81,000.00
	<u>\$1,185,000.00</u>	<u>\$1,219,154.65</u>	<u>\$1,480,000.00</u>

## 19. Treasury Department

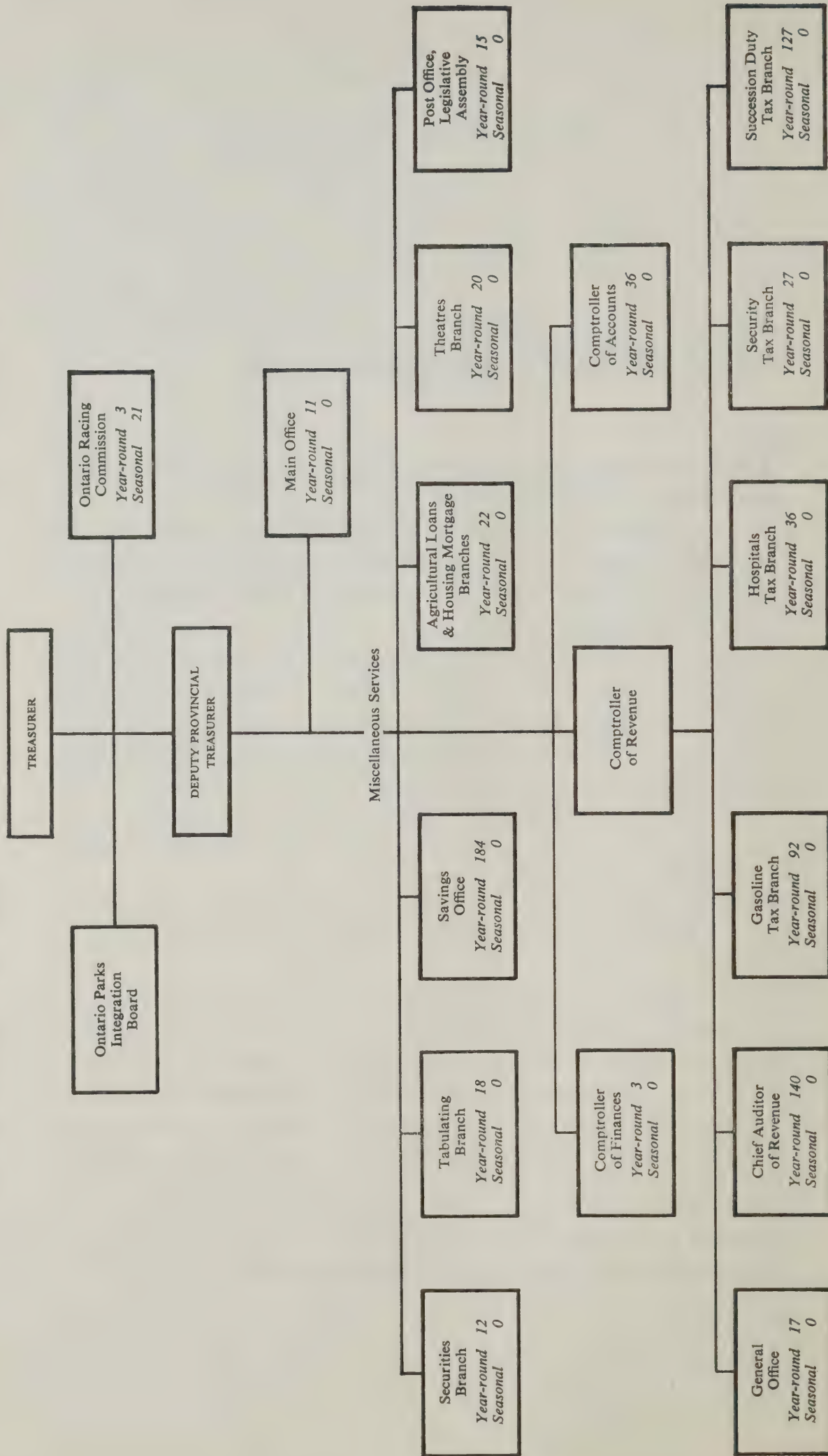
THE AREAS OF RESPONSIBILITY assigned to the Treasury Department may be stated in general terms as follows:

- providing the Government with information concerning all aspects of the financial position of the Province and information, advice and recommendations concerning matters that require consideration in determining fiscal policies.
- handling all arrangements connected with the acquisition of borrowed funds and the management of cash resources.
- maintaining central accounting records and processing the disbursement of Provincial funds, after approval by the Provincial Auditor, and depositing the receipts of all Provincial departments.
- assessing and collecting the revenues accruing to the Province under most of the statutes which impose Provincial taxes or incorporate similar revenue producing provisions.
- supplying a number of miscellaneous services, that are generally of a financial nature, to other Provincial departments and to the public.

Exhibits 1 to 4 which follow this memorandum set out in some detail, budgeted and actual figures for the fiscal year 1957-58 and budgeted figures for the current fiscal year in respect to the ordinary revenue which the Department was responsible for collecting, the ordinary expenditures that it administered, and also the receipts and payments on capital account that were dealt with under its management or through its facilities. The exhibits show that gross ordinary revenue in the year 1957-58 totalled approximately \$507,000,000. Gross ordinary expenditures in the same period amounted to some \$75,000,000 with the cost of servicing the public debt, including sinking fund provisions and contributions to the Public Service

# PROVINCE OF ONTARIO

Plan of organization of the Treasury Department and related boards, commissions and like agencies





## *Treasury Department*

Superannuation Fund, making up more than \$71,000,000 of that amount. Capital receipts for the year totalled nearly \$394,000,000 and disbursements approximatey \$264,000,000. Included in these figures are receipts of about \$226,000,000 which represent the proceeds during the year from the sale of temporary investments and disbursements of over \$216,000,000 covering purchases of such investments. In addition to the purchase of temporary investments, the Treasury Department placed from time to time during the year \$332,500,000 in United States time deposits for various terms with the chartered banks. At March 31st, 1958, the outstanding balance of such time deposits was \$72,000,000.

As of July 31st, 1958, the total staff of the Department and its associated agencies numbered some 763 employees. Almost all of the staff is employed on a year-round basis. Only in the case of the Ontario Racing Commission are seasonal workers used. A chart facing this page sets out the plan of organization through which the responsibilities of the Department and its associated agencies are discharged. The chart shows the various organ izational units that are employed and indicates the approximate size of staff connected with each unit.

The statute which establishes the Department, under the administration of the Treasurer, and sets out its general responsibilities is *The Financial Administration Act, 1954*. This Act gives the Treasurer broad responsibility over the process of collection, disbursement and safeguarding of public monies and defines arrangements for the borrowing of funds for Provincial purposes.

The same statute provides for the formation of two other agencies which are concerned with the management of Provincial finances. The first of these is the Treasury Board. The Act specifies that the Board shall be composed of the Treasurer as Chairman and not fewer than four and not more than seven other members of the Executive Council, as may be designated by the Lieutenant-Governor in Council. It is empowered to "act as a committee of Executive Council in all matters relating to finance, revenues, estimates, expenditures and financial commitments and on any other matter concerning general administrative policy in the public service that is referred to the Board by the Executive Council or on which the Board considers it desirable to report". The Act provides that the Board may make regulations, subject to Executive Council approval, respecting the collection, management and administration of accounting for public money and for any purpose necessary for the efficient administration of the public service.

## *Organization of Government in Ontario*

The second agency established by the statute is the Budget Committee. The Act specifies that it shall be subject to direction of the Treasury Board and be composed of officers of the Treasury Department and any other departments designated by the Lieutenant-Governor in Council. Under direction of the Treasury Board it shall:

- examine, advise upon and compile annual and supplementary estimates.
- inquire into, examine and advise upon the expenditures, commitments, the prospective expenditures, the revenues and prospective revenues of each department.
- investigate all matters relating to the receipt and disbursement of public money.
- make suggestions generally with a view to promoting efficiency and economy in any department.
- undertake such other duties as may be assigned by the Board.

Neither the Treasury Board nor the Budget Committee are shown on the organization chart of the Department and its associated agencies because the Board is a committee of the Executive Council and the Budget Committee is a subsidiary agency of the Board rather than an agency of the Department.

*The Financial Administration Act, 1954*, incorporates provisions which call for the appointment of a Deputy Provincial Treasurer and three officials within the Department that are identified by the title Comptroller. It makes the Deputy Treasurer responsible for supervising the administration coming within the scope of the Department or members of its staff and assigns prescribed duties and responsibilities to each of the other three officials that are named. This is reflected in the Department's plan of organization. It will be seen that each of these three officials is responsible for a specific primary function or group of functions under the direction of the Deputy Provincial Treasurer. A variety of miscellaneous secondary functions which have been assigned to the Department are dealt with by six other organizational units each of which also reports to the Deputy. For the purposes of this review the work of the Department can be described most conveniently by outlining its responsibilities and activities under the following main headings:

Functions of the Comptroller of Finances

Functions of the Comptroller of Accounts

## *Treasury Department*

Functions of the Comptroller of Revenue

Miscellaneous Service Functions

Associated Agencies

Other Legislation

### **Functions of the Comptroller of Finances**

The Act that establishes the Department provides that the Comptroller of Finances shall:

- study and advise upon trends in the field of public finance and the effects of the policies of governments on public borrowing.
- advise upon all matters relating to the raising of money under Part IV (of *The Financial Administration Act*) and to the management of the public debt and sinking funds of Ontario. (Part IV of the Act deals with the authorization of borrowing arrangements for provincial fund raising purposes).
- undertake such other duties as may be assigned by the Treasurer.

At present the Comptroller of Finances acts as Secretary of the Treasury Board.

In dealing with these responsibilities, the Comptroller of Finances carries on a continuing study of the short and long term financial position and requirements of the Province and of other governments, maintains regular contacts with major financial and investment institutions, and assesses conditions and trends in the money markets. Under the direction of the Treasurer he makes arrangements for the handling of transactions in connection with the purchase or sale of securities by the Province.

### **Comptroller of Accounts**

*The Financial Administration Act* provides that this official, in addition to performing other duties assigned to him by the Treasurer shall:

- examine the methods of administration and control applied in any department in connection with the accounting of the disbursement of public money and report thereon with his recommendations to the Treasurer and pursuant to such recommendations he may require the adjustment and supervise the operation in each such department of such methods of administration and control as he deems proper or he may provide, in any such Department, account-



## *Organization of Government in Ontario*

ing and other services in connection with the administration and control of the disbursement of public money.

The normal duties of the Comptroller of Accounts and his staff include:

- maintaining all general and control accounts relating to the disbursements and receipts of all Provincial departments.
- acting as a central agency for handling the receipt and safeguarding of all funds paid to the Province and processing the disbursement of all payments made by the Province from its bank accounts.

Under the authority of the statutory provision set out above, the Comptroller of Accounts provides advice and guidance and direction to other departments in connection with the establishment of accounting procedures used within the individual departments and may review these arrangements when such action appears to be desirable.

### **Comptroller of Revenue**

In addition to performing such other duties as are assigned to him by the Treasurer, the Comptroller of Revenue is authorized by *The Financial Administration Act* to:

- make in any department any investigation as to the sources and the rates of any tax, fee, revenue or receipt as he may deem advisable and report thereon with his recommendations to the Treasurer.
- examine the methods of administration and control applied in any department in connection with collection and accounting of any such tax, fee, revenue or receipt and report thereon with his recommendations to the Treasurer and pursuant to such recommendations require the adjustment and supervise the operation of such methods of administration and control as he deems proper.

The internal duties that have been assigned to the Comptroller of Revenue require him to supervise the collection of revenues accruing to the Province under the provisions of twelve taxation or revenue Acts which are administered by the Treasurer. In addition, the staff responsible to this official handle the collection of the Fire Marshal Tax provided for in *The Fire Marshal Act*. This work is undertaken as a service to the Department of the Attorney General which administers this Act.

The duties involved include the maintenance of staff and facilities to ensure that all returns, required under the various statutes, are made to

## *Treasury Department*

assess taxes payable in accordance with the legislation and to carry out whatever inspection of records and accounts is required. The work is divided among five Branches and a general office section. Each of the five Branches is responsible for the administration of the statutes referred to opposite its name. The Branches and the tax legislation dealt with in each case are as follows:

<i>Branch</i>	<i>Statutes Assigned</i>
Chief Auditor of Revenue	<i>The Income Tax Rental Agreement Act, 1957</i> <i>The Corporations Tax Act, 1957</i> <i>The Logging Tax Act</i>
Gasoline Tax Branch	<i>The Gasoline Tax Act</i> <i>The Gasoline Handling Act</i> <i>The Motor Vehicle Fuel Tax Act</i>
Hospitals Tax Branch	<i>The Hospitals Tax Act</i>
Security Transfer Tax Branch	<i>The Security Transfer Tax Act</i> <i>The Race Tracks Tax Act</i> <i>The Land Transfer Tax Act</i> <i>The Law Stamps Act</i>
Succession Duty Branch	<i>The Succession Duty Act</i>

The provisions of *The Financial Administration Act, 1954*, and the individual statutes give the Treasurer and, upon delegation the Comptroller of Revenue, wide powers of interpretation which could affect the amount of tax payable under various circumstances, and also in respect to such matters as prescribing the form in which information must be submitted, and issuing licences, primarily to tax collection agencies such as theatre owners, oil companies, etc.

Certain of the individual Acts incorporate specific provisions in respect to the rights of a taxpayer to appeal from an assessment made by the Department. Under *The Corporations Tax Act*, *The Logging Tax Act* and *The Succession Duty Act*, provisions specify that an appeal can be made in the first instance to the Treasurer and subsequently to the Supreme Court of Ontario. In the case of *The Motor Vehicle Fuel Tax Act* and *The Hospitals Tax Act*, provisions are included which prohibit refusal, suspension or cancellation of a licence issued to tax collection agents of the Treasurer until the affected persons are given an opportunity to appear before the Comptroller of Revenue to show cause why the Comptroller should not take such action.

## *Organization of Government in Ontario*

### **Miscellaneous Service Functions**

The various service functions of a miscellaneous nature with which the Department deals are described under headings that indicate the organizational unit responsible.

*Securities Branch:* This unit provides an internal service to the Department. It is responsible for processing the issue and delivery of all Provincial securities as well as for the redemption and cancellation of such documents. It is also responsible for the custody of securities of any type that come under the control of the Treasurer or any other department of the Provincial Government.

*Tabulating Branch:* This Branch operates a punched card service bureau for the use of other Branches of the Department and other departments. A large part of its work relates to the preparation of cheques for payment of such items as bond interest, welfare allowances, payrolls, etc. Services of the bureau are also used for various analytical purposes.

*Savings Offices:* Under *The Agricultural Development Finance Act*, the Treasury Department is authorized to operate savings offices where the public may deposit money and make withdrawals by cheque. Twenty-one of these offices are presently in operation, principally throughout southern Ontario. Each office is under its own manager and the operations of all the offices are co-ordinated and directed by a head office staff. The offices act as agencies for the Department of Labour in the sale and redemption of vacation stamps issued under *The Hours of Work and Vacations with Pay Act*.

*Agricultural Loans and Housing Mortgage Branches:* While these two Branches are identified as separate organizational units, their work is closely allied and they are supervised by a single official who carries the title, Commissioner of Agricultural Loans.

The Agricultural Loans Branch was formed originally to handle the work associated with all aspects of the handling of loans made under four statutes, *The Agricultural Development Act*, *The Farm Loans Act*, *The Northern Ontario Development Act* and *The Farm Loans Adjustment Act*. No new loans have been made under any of these statutes for some years so that the activities of the Branch are now confined to loan collection work. The main features of the statutes are summarized below:

#### *The Agricultural Development Act*

This Act established an Agricultural Development Board and made it responsible for reviewing and passing upon applications for loans secured



## *Treasury Department*

by a first mortgage on agricultural land. It has been inactive since 1935 and the Commissioner of Agricultural Loans assumed the functions of the Board in that year, as authorized by an amendment to the Act. A subsequent amendment to the Act, passed in 1949, deleted all reference to the Board.

### *The Farm Loans Act*

This Act provides for the incorporation of Farm Loan Associations with authority to undertake short term borrowings for the purpose of meeting current expenditures of association members. By the terms of the Act the Province is required to subscribe to the capital stock of an Association to the extent of 50% of subscriptions of individual members and may loan money or guarantee loans made to an association. At present the Department is preparing legislation to wind up all such associations.

### *The Northern Ontario Development Act*

This Act was designed to provide loans to settlers in Northern Ontario, but has been unused as a source of new loans for some years.

### *The Farm Loans Adjustment Act*

This statute provides a means of obtaining relief in respect to repayments against loans provided under any of the preceding three Acts.

*Housing Mortgage Branch:* This is the administrative agency of Housing Corporation Limited. Housing Corporation Limited is a crown corporation established in 1948 to lend money on second mortgage security for housing construction. The policies of the Corporation are determined by a four-member board of directors made up of senior officials of the Treasury Department, the Provincial Secretary's Department, the Department of Planning and Development and the Department of Insurance. No new loans are being made under the legislation but the Board of the Corporation is still active in respect to methods of financing outstanding loans and the Branch staff is dealing with collection work.

*Theatres Branch:* *The Theatres Act, 1953* gives this Branch authority to censor motion pictures that are to be shown in the Province and to inspect theatres from a public safety point of view.

The censorship function is carried out by a Board of Censors which is composed entirely of employees of the Theatres Branch and is therefore under the control of the Department.

*Post Office, Legislative Assembly:* This Office receives and dispatches outgoing mail from Provincial departments and sorts and distributes in-

## *Organization of Government in Ontario*

coming mail. During sessions of the Legislative Assembly, it distributes copies of printed bills, reports and other proceedings.

### **Associated Agencies**

There are three separate agencies associated with the Department. The responsibilities and functions of these agencies are outlined below:

*Ontario Racing Commission:* This Commission was established by *The Racing Commission Act* which provides the Commission with the power to govern, direct and control horse racing and race tracks in Ontario and to license and fix the licence fees of those engaged in this occupation.

While the Commission reports to the Treasurer, it is not a subsidiary agency of the Department and the actions and decisions of the Commission are not subject to review by the Treasurer. In practice, however, the members of the Commission consult with senior officials of the Treasury Department with respect to the number of racing days to be permitted during a year and other administrative matters.

*Ontario Parks Integration Board:* This Board is shown on the organization chart of the Treasury Department because, according to the Act under which it was established, it must report annually to the Treasurer.

However, its work bears no relationship to that of the Treasury Department, and its composition and activities are described in Memorandum 9 dealing with the Department of Lands and Forests.

*Ontario Municipal Improvement Corporation:* This Corporation was established under *The Ontario Municipal Improvement Corporation Act* for the purpose of purchasing from municipalities or school boards in Ontario, debentures issued by them for any one of a number of specific purposes.

It is directed by a four-man Board, two members of which are employees of the Treasury Department, one is from the Department of Municipal Affairs and the other is a former Deputy Minister of Municipal Affairs. The processing of the applications, which must be approved by the Ontario Municipal Board before any action can be taken on them, is carried out in the Department of Municipal Affairs. The record keeping and collection functions are carried out in the Treasury Department.

### **Other Legislation**

In addition to the statutes to which reference has been made

## *Treasury Department*

previously, the Department administers two other acts. They are the following:

*The Ontario Loan Act, 1958:* This is permissive legislation enacted each year to fix the amount of money that the Province may borrow.

*The Northern Ontario Pipe Line Act, 1956:* This is also permissive legislation authorizing the Treasurer to loan money to Her Majesty in Right of Canada for the purpose of constructing a connecting line through Northern Ontario to a pipe line transporting natural gas.

### **Addendum, August, 1959**

Two Branches have been transferred from the Treasury Department to other departments. The Post Office is now part of the Department of the Provincial Secretary and the Theatres Branch has become a branch of the Department of Travel and Publicity.



# Organization of Government in Ontario

## TREASURY DEPARTMENT EXHIBIT 1

### ORDINARY REVENUE

	<i>Budget</i> <i>1957-58</i>	<i>Actual</i> <i>1957-58</i>	<i>Budget</i> <i>1958-59</i>
Main Office—Subsidy	\$ 3,641,000	\$ 3,640,940	\$ 3,641,000
—Interest	71,000	71,136	71,000
Ontario Racing Commission	87,000	88,492	107,000
L.C.B.O.—Profits	65,000,000	66,000,000	65,000,000
—Transfer Fees	600,000	672,600	600,000
Province of Ontario Savings Office	740,000	747,851	820,000
Provincial share of taxes collected from privately owned Corporations operating public utilities	1,000,000	1,333,166	1,200,000
Comptroller of Revenue:			
Tax Rental Agreement	63,000,000	74,379,000	87,000,000
Corporations Tax	160,000,000	148,015,497	147,000,000
Gasoline Tax	131,000,000	138,532,259	140,000,000
Motor Vehicle Fuel Tax	3,000,000	4,728,806	5,000,000
Hospitals Tax	4,200,000	4,509,402	4,000,000
Success Duty	23,000,000	31,980,270	26,000,000
Race Tracks Tax	4,500,000	4,642,836	4,500,000
Security Transfer Tax	4,000,000	2,631,481	2,500,000
Land Transfer Tax	3,600,000	3,413,192	3,000,000
Law Stamps	1,000,000	1,358,160	1,200,000
Logging Tax	2,000,000	1,663,180	1,500,000
Theatres	270,000	264,587	250,000
Miscellaneous			
Main Office	—	8,226	—
Taxes—Income	—	798	—
Fees	—	1,461	—
Public Debt—Interest, etc.	14,433,000	18,262,285	14,539,000
	<u>\$485,142,000</u>	<u>\$506,945,625</u>	<u>\$507,928,000</u>

## TREASURY DEPARTMENT EXHIBIT 2

## CAPITAL PAYMENTS

		<i>Budget</i> 1957-58	<i>Actual</i> 1957-58	<i>Budget</i> 1958-59
Loans and Advances—				
Tile Drainage Debentures . . . . .	\$ 500,500	\$ 700,400	\$ 699,500	
Accountable Funds . . . . .	4,000,000	—	4,000,000	
Northern Ontario Pipe Line . . . . .	35,000,000	—	27,000,000	
Ontario Municipal Improvement Corporation.	—	11,700,000	\$ 12,400,400	\$31,699,500
Special Funds—				
Unclaimed Dividends . . . . .	—	\$ 1,143	—	
Unclaimed Monies . . . . .	—	59	—	
Guaranteed Debentures, S.W. & A. Railway .	\$ 148,500	149,333	\$ 148,500	
Registry Office—Surplus Fees. . . . .	150,000	344,309	150,000	
School Board Deposits. . . . .	—	49,777	—	
Land Titles Assurance Fund . . . . .	—	327	—	
Security Bond Forfeitures . . . . .	—	3,500	—	
Bonus for Rural Primary and Secondary Lines.	—	—	1,500,000	1,798,500
Miscellaneous Refunds re Prior Years . . . . .		298,500	548,448	150,000
		150,000	90,870	\$33,648,000
		\$39,949,000	\$ 13,039,718	
Public Debt—				
Stocks and Debentures . . . . .	\$ 8,876,000	\$ 8,876,000	\$ 6,342,000	
Sinking Fund Investments . . . . .	24,000,000	24,115,000	24,000,000	
Temporary Investments . . . . .	—	216,656,800	249,647,800	30,342,000
		32,876,000		\$63,990,000
		\$72,825,000	\$262,687,518	

Treasury Department

# Organization of Government in Ontario

TREASURY DEPARTMENT EXHIBIT 3

## ORDINARY EXPENDITURE

	Budget 1957-58	Actual 1957-58	Budget 1958-59
Main Office . . . . .	\$ 513,500	\$ 451,974	\$ 578,500
Comptroller of Revenue . . . . .	1,675,000	1,679,336	1,979,000
Ontario Racing Commission . . . . .	210,000	187,914	235,000
Post Office . . . . .	397,500	444,581	443,000
Tabulating Branch . . . . .	97,000	111,297	142,000
Theatres Branch . . . . .	112,500	104,591	117,000
Housing Mortgage Branch . . . . .	59,500	43,146	46,500
Savings Office . . . . .	740,000	747,851	820,000
Public Service Superannuation Fund . . . . .	5,050,000	6,295,748	6,200,000
Sinking Fund Instalments . . . . .	17,833,000	17,833,000	17,941,000
Public Debt—Interest, etc.			
Debentures . . . . .	\$41,000,000	\$41,288,401	\$46,250,000
Savings Office Deposits . . . . .	2,500,000	2,558,332	3,000,000
Public Service Superannuation Fund . . . . .	2,325,000	2,365,351	2,900,000
Public Service Retirement Fund . . . . .	38,000	30,793	31,000
Bank Overdrafts . . . . .	50,000	5,117	50,000
Municipal Sinking Funds . . . . .	8,100	8,785	9,100
Bequests and Scholarships . . . . .	10,000	10,182	11,000
Assurance Fund (The Land Titles Act) . . . . .	7,500	7,500	7,500
Accrued Interest on Tile Drainage Debentures . . . . .	—	7,164	5,000
Ontario Food Terminal Board Sinking Fund . . . . .	10,000	8,941	11,000
School Board Deposits . . . . .	2,400	1,879	2,400



Deposit by S. W. & A. Railway re Future Interest				
Payments . . . . .	—	1,897	6,000	
Loan Flotation . . . . .	50,000	67,259	50,000	
Bank Commission Charges re Interest &				
Principal Maturities . . . . .	29,000	23,242	40,000	
General Administration . . . . .	5,000	2,651	5,000	
Tile Drainage—Collection Charges . . . . .	—	759	—	
Discount Amortized . . . . .	750,000	949,579	994,000	
Foreign Exchange . . . . .	—	556	—	
Premium on Debentures Purchased—Sinking				
Fund Investments . . . . .	—	46,033	—	
Premium on Debentures Purchased for				
Cancellation . . . . .	—	905	—	
Accrued Interest on Investments Purchased . . .	—	2,838	—	
	46,785,000	47,388,164	53,372,000	
	\$73,473,000	\$75,287,602	\$81,874,000	

# Organization of Government in Ontario

## TREASURY DEPARTMENT EXHIBIT 4

### CAPITAL RECEIPTS

	Budget 1957-58	Actual 1957-58	Budget 1958-59
Repayment of Loans and Advances—			
Settlers' Loans . . . . .	\$ 2,500	\$ 4,435	\$ 3,000
Settlers' Loans—Miscellaneous and Seed Grain	1,000	768	600
Commissioner of Agricultural Loans . . . . .	600,000	650,000	325,000
Sandwich, Windsor and Amherstburg Railway	50,000	50,000	50,000
Municipal Debentures—			
Sundry (Blind River) . . . . .	3,000	3,000	—
Municipal Drainage . . . . .	—	—	—
Tile Drainage . . . . .	300,000	370,074	400,000
City of Windsor . . . . .	60,000	60,615	60,000
Agricultural Finance Act (West Lorne) . . . . .	5,200	5,290	5,400
Co-operative Loans . . . . .	100,800	104,972	140,000
Hydro-Electric Power Commission of Ontario .	1,568,000	1,567,726	1,242,000
Accountable Funds . . . . .	4,000,000	—	4,000,000
Ontario Municipal Improvement Corporation .	—	8,000,000	—
Hydro-Electric Power Commission of Ontario	—	2,105,000	—
—Special . . . . .	—	3,026	—
Other . . . . .	—	\$ 6,690,500	\$ 6,226,000
Special Fund Deposits—			
Municipal Sinking Funds . . . . .	\$ 16,000	\$ 16,679	\$ 17,000
Registry Office Surplus Fees . . . . .	150,000	344,309	150,000
School Board Deposits . . . . .	—	1,879	—
Bequests and Scholarships . . . . .	—	5,800	—

*Treasury Department*

O.E.A.—Elementary Teachers' Loan Fund . . .	—	653	—	—	—
Unclaimed Monies . . . . .	—	3,511	—	—	—
Unclaimed Dividends . . . . .	—	157	—	—	—
Unclaimed Vacation-With-Pay Books . . . . .	—	34,343	—	—	—
Land Titles Assurance Fund . . . . .	—	327	—	—	—
Reserve for Outstanding Cheques . . . . .	—	8,236	—	—	—
Suspense Special . . . . .	—	287	—	—	—
Sandwich, Windsor and Amherstburg Railway	148,500	148,500	—	—	148,500
Security Bond Forfeitures . . . . .	—	3,500	—	—	—
Exploratory Licences of Occupation . . . . .	—	13,965	—	—	—
Defence Training Board . . . . .	—	21,796	—	—	—
Ontario Food Terminal Sinking Fund Deposits	69,000	98,942	—	—	101,500
Sandwich, Windsor and Amherstburg Railway					
—re future interest payments of 6% Debentures due 1961 . . . . .	—	202,586	—	—	6,000
Other (Including residue of Estate of Jessie Patterson) . . . . .	—	234,908	1,140,378	—	423,000
Deferred Assets, Surplus Receipts and Reserves—					
Reserve for Sinking Funds . . . . .	\$17,833,000	\$ 17,833,000	—	—	\$17,941,000
Premium and Discount on Bonds . . . . .	750,000	949,579	—	—	994,000
Highway Construction Account . . . . .	20,000,000	57,500,000	76,282,579	—	20,000,000
Public Debt—					
Province of Ontario Savings Office—Deposits .	—	\$ 1,024,477	—	—	—
Stocks and Debentures. . . . .	—	74,900,000	—	—	—
Sinking Fund Investments . . . . .	—	956,000	—	—	—
Temporary Investments . . . . .	—	226,430,050	303,310,527	—	—
			\$393,658,390		\$45,584,000
			\$45,657,000		





BOARDS AND COMMISSIONS





## BOARDS AND COMMISSIONS

1. Civil Service Commission	328
<i>Memorandum dated October 1, 1958 prepared by J. D. Woods &amp; Gordon Limited.</i>	
2. Farm Products Marketing Board	351
<i>Memorandum dated September 8, 1958 prepared by Price Waterhouse &amp; Co.</i>	
3. Hydro-Electric Power Commission of Ontario	359
<i>Memorandum dated November 5, 1958 prepared by J. D. Woods &amp; Gordon Limited.</i>	
4. Liquor Control Board of Ontario	384
<i>Memorandum dated July 22, 1958 prepared by Urwick, Currie Limited.</i>	
5. Liquor Licence Board of Ontario	392
<i>Memorandum dated July 30, 1958 prepared by Urwick, Currie Limited.</i>	
6. Milk Industry Board of Ontario	400
<i>Memorandum dated October 14, 1958 prepared by Price Waterhouse &amp; Co.</i>	
7. Ontario Food Terminal Board	405
<i>Memorandum dated July 14, 1958 prepared by Price Waterhouse &amp; Co.</i>	
8. Ontario Fuel Board	412
<i>Memorandum dated August 27, 1958 prepared by Urwick, Currie Limited.</i>	
9. Ontario Highway Transport Board	419
<i>Memorandum dated July 16, 1958 prepared by Thorne, Mulholland, Howson &amp; McPherson.</i>	
10. Ontario Municipal Board	426
<i>Memorandum dated September 26, 1958 prepared by Price Waterhouse &amp; Co.</i>	
11. Ontario Racing Commission	434
<i>Memorandum dated July 28, 1958 prepared by Thorne, Mulholland, Howson &amp; McPherson</i>	
12. Ontario Water Resources Commission	441
<i>Memorandum dated September 29, 1958 prepared by Thorne, Mulholland, Howson &amp; McPherson.</i>	
13. Workmen's Compensation Board of Ontario	452
<i>Memorandum dated July 11, 1958 prepared by Urwick, Currie Limited.</i>	

# 1. Civil Service Commission

Mr. W. L. Gordon  
Chairman  
Committee on the Organization of  
Government in Ontario  
Parliament Buildings  
Toronto, Ontario

October 1, 1958

Dear Mr. Gordon:

On your instructions we have completed a review of the responsibilities and general methods of operation of the Civil Service Commission. We present the information that has been assembled under the three main headings:

General Information

Areas of Responsibility and Methods of Operation

Commission's Plans for Improvement of its Services.

## General Information

The Civil Service Commission is established under the provisions of *The Public Service Act* which stipulates that it will consist of not more than three persons appointed by the Lieutenant-Governor in Council, one of whom may be appointed chairman. At present the appointed members are:

Chairman—Mr. A. E. Stacey

Member —Miss F. V. Glenney

Member —Mr. D. J. Collins

## *Civil Service Commission*

Mr. Stacey as Chairman devotes his full time to directing the Commission's affairs and acts as its chief administrative officer. He was appointed to that position in July of this year having formerly held the position of Superintendent of Business Administration in the Department of Education. Miss Glenney has been a full time official of the Commission's administrative staff for some years and a Commissioner since June, 1957. Mr. Collins serves the Commission on a part time basis and is Deputy Minister of the Department of Transport.

The duties of the Commission as set out in Section 2 of the Act are as follows. The Commission shall:

- examine and pass upon the qualifications of nominees for the civil service;
- assign nominees for the civil service and civil servants to classifications prescribed by the regulations and specify the salary payable;
- determine the value of perquisites granted to civil servants;
- study the organization and administration of the staffs of the departments and make such recommendations to the Lieutenant-Governor in Council as it deems proper with respect to:
  - the organization and administration methods in any department,
  - the co-ordination of the work of the departments, and
  - generally, the improvement of the civil service;
- investigate and report to the Lieutenant-Governor in Council upon any matter relating to the civil service or a civil servant referred to it by the Lieutenant-Governor in Council; and
- present annually to the Lieutenant-Governor in Council a report upon the performance of its duties during the preceding fiscal year, which report shall be laid before the Assembly at the next session of the Legislature.

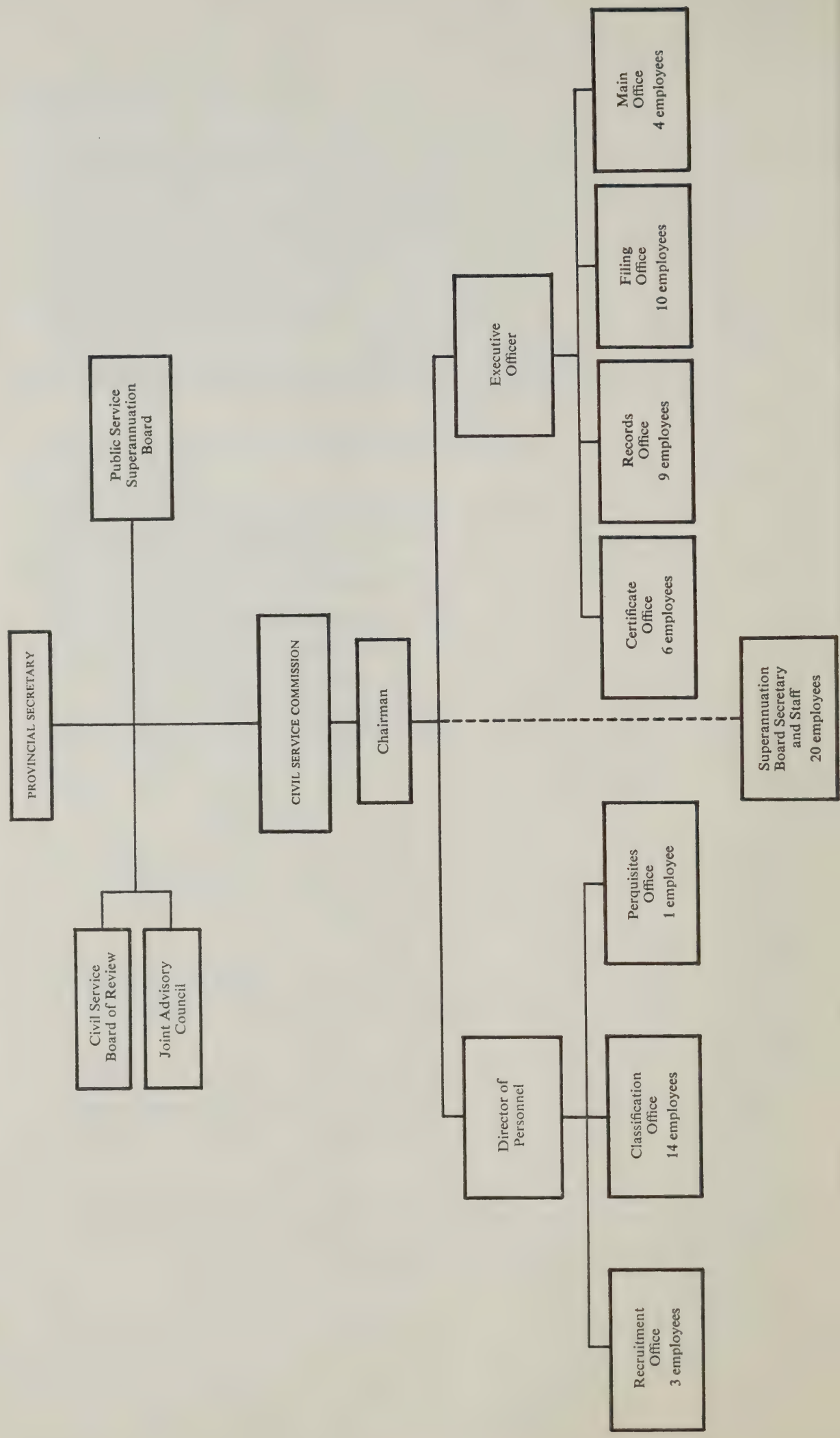
In carrying out its duties the Commission maintains an administrative staff which at June 30th numbered 50 employees. The general plan of staff organization through which the Commission conducts its activities is shown in the chart overleaf.

The expenditures incurred for the operations of the Commission over each of the past five fiscal years and the amounts originally budgeted or such expenditures have been as follows:



PLAN OF ORGANIZATION OF THE CIVIL SERVICE COMMISSION - JULY 1, 1958

(Showing Other Agencies Responsible for Matters Within Its Field of Interest)



## Civil Service Commission

<i>Fiscal Year</i>	<i>Expenditures</i>	
	<i>Actual</i>	<i>Original Budget</i>
1957-58	\$197,596	\$176,000
1956-57	157,277	142,700
1955-56	122,509	134,800
1954-55	117,688	119,600
1953-54	98,733	105,000

### Areas of Responsibility and Methods of Operation

The duties of the Commission that are set out in *The Public Service Act* establish three main areas of responsibility for the Commission. They are as follows:

- examining and passing upon the qualification of nominees for the civil service.
- specifying the salary rates payable and the value of perquisites granted to civil servants.
- studying and making recommendations in respect to the organization and administration of the staffs of the departments.

The activities of the Commission in the above areas are described separately below.

*Examination of the Qualification of Nominees for the Civil Service:* *The Public Service Act* provides that personnel may be appointed to the civil service by the Lieutenant-Governor in Council or, where the appointment is for a period of one year or less, by a minister. However, the Act also stipulates that no person shall be appointed as a civil servant in either case until the Commission has certified to the Lieutenant-Governor in Council or the Minister that the person is qualified and has assigned him to a classification and specified the salary which he is entitled in accordance with the regulations.

As a result of these provisions government employees are commonly identified as belonging in one of three categories as follows:

*Permanent:* These are civil servants that have been appointed by Order-in-Council. They enjoy all of the benefits established for such employees by *The Public Service Act* and the regulations made under it.

*Temporary:* These are civil servants that have been appointed by a

## Organization of Government in Ontario

minister, and whose appointment has been approved by the Civil Service Commission. Their authorized term of employment is limited and they are not entitled to receive all of the benefits enjoyed by permanent appointees.

*Casual*: These are employees engaged by a minister without reference to the Civil Service Commission. They are, in general, employees engaged for work in connection with undertakings which may not be of a continuing nature; part time workers; persons employed in a consultative capacity; and all employees paid at hourly, daily or weekly rates. Casual employees are not civil servants within the terms of *The Public Service Act*.

The table that follows supplies figures which show, for each of the past five years the total number of employees serving the government in the category of civil servants and the number of new appointments made to such staff in each year. Separate figures are given for appointments made to permanent and temporary status. It should be noted that the numbers of permanent appointments shown in this table represent only appointments of personnel new to the service. They do not include transfers from temporary to permanent staff that were made during a year. Recently upwards of 50% of all temporary appointments have led to subsequent appointments to permanent status.

<i>Fiscal Year</i>	<i>Total Numbers of Civil Servants at Year-End</i>			<i>New Appointments Made in Year</i>		
	<i>Permanent</i>	<i>Temporary</i>	<i>Total</i>	<i>Permanent</i>	<i>Temporary</i>	<i>Total</i>
1957-58	20,760	6,600	27,360	1,636	6,032	7,668
1956-57	16,759	6,191	22,950	319	4,877	5,196
1955-56	14,658	6,442	21,100	216	3,956	4,169
1954-55	14,163	5,833	19,996	100	3,793	3,893
1953-54	13,208	5,681	18,889	155	3,961	4,116
1952-53	12,659	4,881	17,540	236	3,465	3,701

It will be evident that the task of examining and passing upon the qualifications of nominees to provide for the above inflow of new employees places a heavy responsibility upon the Commission. In dealing with that task the Commission is employing the following procedures:

- it has developed a classification plan under which the nature of the work being performed by any civil servant is identified, and the



## *Civil Service Commission*

qualifications required in an employee capable of performing that work are specified.

- the Commission has established within its administrative organization a group of classification officers which is responsible for the preparation of appropriate specifications for all civil service positions.
- it maintains a personnel selection staff which recruits and tests the qualifications of candidates for openings in the civil service.

The methods used by the Commission in carrying on this work are described in some detail under separate headings.

*Classification Plan Services:* The Classification plan being used by the Commission had its origin in a study that was completed in 1946 by a Classification Committee which had been appointed by the Government to review compensation arrangements in the public service. The Committee's recommendations called for recognition of a prescribed set of classifications covering the positions that would exist in each of the departments of the service and the assignment of a salary range for each classification.

The classifications established at that time were identified only in terms of job titles and very little information was provided to indicate qualifications associated with an individual class. Working from that base the Commission has since been engaged upon a program of amplifying and revising the original arrangements.

Currently some 1,000 individual classifications are in use. Each classification identifies a single job or a group of like jobs. For all but a relatively insignificant number, minimum qualifications required to perform the work covered by that classification have been prescribed. These qualifications are expressed in terms of specialized skills, training and experience. Detailed written specifications of the type shown overleaf have been prepared for about 300 classifications and steps are being taken to prepare similar documents for all classifications. Copies of these specifications are supplied to the departments when they have been prepared and approved.

Staff of the Commission's Classification Office, working with officials of the departments, examine in detail the work being done by employees and study the organizational arrangements used in carrying on the department's operations. Information assembled in this manner is then used to prepare classification specifications for the different jobs associated with a department.

# *Organization of Government in Ontario*

## EXHIBIT 2

### STOCKKEEPER 2

#### CLASS DEFINITION:

This is responsible stockkeeping work performed by employees in charge of relatively small stockrooms or assisting in large stockkeeping operations at headquarters, in the field or in institutions. Positions in this class are characterized by responsibility for a large diversified stock of materials, supplies and equipment of considerable value, significant clerical duties and supervision of a small to moderate-sized group of subordinates. Employees in these positions receive general supervision from administrative, stock or stores personnel of higher level and work results are reviewed for accuracy and adequacy of records kept, adherence to established procedures and skill in storing materials. These employees supervise subordinate stockkeepers, clerks and truck drivers assigned to a variety of stockroom and delivery routines.

#### CHARACTERISTIC DUTIES:

As the employee in charge of a small to medium-sized stockroom, receives, checks and records incoming shipments, arranges and maintains supplies in an orderly fashion, fills requisitions and issues stock, recovers non-expendable items, withdraws unserviceable stock, periodically takes inventory and prepares reports on stockroom contents.

As assistant to the supervisor of a large stockroom, directly supervises subordinates performing some or all of the standardized stockkeeping routines relating to the receiving, storing and issuing of a large volume of varied stores including food, clothing, furnishings, institutional equipment, tools and machinery, cleaning and maintenance materials, medical and laboratory supplies, industrial materials, stationery and office equipment, textbooks and pamphlets, technical instruments, gasoline, oil and paint, and in some positions operates a duplicating machine.

As head of an important section in a large stock unit, supervises the receiving, checking, recording, storing and despatching of specialized stores, accounts for inventory at regular intervals, prepares requisitions for ordering stock, supervises reconditioning, condemns stores, arranges for return of surplus, and supervises subordinates performing any of the routine phases of the work.

#### QUALIFICATIONS:

1. Preferably successful completion of Grade 12.
2. A minimum of six years' experience in stockkeeping or related work.
3. Demonstrated ability to supervise subordinate stockkeeping staff and to administer the operations of a small stockkeeping unit or a segment of a larger unit; satisfactory physical condition.

*March, 1958*

## *Civil Service Commission*

In establishing qualification requirements for certain classifications the Commission's staff also work with departmental officials to develop formal testing procedures which can be used to assess the qualifications of candidates. Typical of such classifications are those covering typists, stenographers and technicians of various kinds.

A constant demand upon the services of the Commission's Classification Officers in the field of preparing specifications arises from:

- the need to complete the preparation of detailed specifications for classifications which are as yet defined only in relatively broad terms;
- the need for reviewing existing classifications and as required establishing new classifications whenever departmental operations are expanded or re-organized;
- the need for investigating complaints from departmental officials or employees concerning the validity of the classifications used to identify the work being done by particular employees.

Some indication of extent of the work required of the Commission in this field is provided by the figures that are tabulated below. The table sets out the numbers of new classifications that have been established and the number of previous classifications that have been withdrawn from use in each of the past five years. All changes in classifications are authorized through regulations issued by Order-in-Council and the table records the number of such orders issued each year.

<i>Year</i>	<i>Number of Orders- in-Council Issued</i>	<i>Number of New Classifications Established</i>	<i>Number of Old Classifications Withdrawn</i>
1958	4	128	51
1957	4	55	31
1956	5	59	49
1955	4	25	16
1954	6	66	81

Currently the Commission employs a technical staff consisting of 8 Classification Officers and 1 Specification Writer. It should be understood that the preparation of classification specifications represents only one phase of the responsibilities being handled by the Classification Office. Other work of that Office is described at a later point in this report.

*Personnel Selection Services:* The Commission's administrative organization includes a personnel selection staff which examines in detail



## *Organization of Government in Ontario*

the qualifications of candidates for all civil service positions and recruits candidates for these positions. The work being dealt with by that staff includes the following services:

*Recruiting:* On the request of an employing department the personnel selection staff recruit qualified candidates for openings in the departments and submit these candidates to the departments. In this connection a regulation under *The Public Service Act* requires that the Commission maintain a list of eligible applicants for appointment to a number of specified position classes and that in respect to staff located at Toronto no appointments be made to positions in those classes except from the list. The classes making up the list are clerk-typists and stenographers of various grades.

In practice the services of the Commission's staff are used extensively for recruiting of staff of all types at Toronto and its staff maintains regular contacts with university and other educational institutions for the purpose of promoting interest in civil service careers and recruiting technically trained personnel.

*Examination of Qualifications of Applicants:* The personnel selection staff makes an individual examination of the qualifications of every candidate for employment in civil service positions whether the candidates are recruited through the Commission offices or by a department itself.

*Approval of Nominations:* All nominations covering both new candidates selected for appointment by the departments and promotions or transfers of existing staff members are received and processed by the personnel section. In this connection a regulation under *The Public Service Act* stipulates that no civil servant may be changed in class or salary, or transferred, except upon certification of the Commission. In processing nominations, the Commission staff takes steps to ensure that qualification requirements have been investigated, prepares certification documents and submits these to the Commission for approval.

The Commission maintains a comprehensive record of the employment history of all civil servants. In its selection work the personnel section uses these records for two purposes. In the case of all applicants a check is made to determine whether or not the applicant has been employed in the service and to obtain information concerning his work record if that has been the case. In addition the personnel selection staff uses the records as a

## *Civil Service Commission*

source of information for bringing to attention opportunities for the promotion of employees in the service. When the section is asked to recruit candidates for a position they are frequently examined in an effort to find employees in more junior positions who may have the qualifications needed for appointment to a more senior job.

In this connection the frequency of promotions to higher classifications is of some interest. The following table records the numbers of permanent staff members promoted in each of the past five years and compares these with the totals of permanent staff members employed in each year.

<i>Fiscal Year</i>	<i>Number of Permanent Staff Promoted</i>	<i>Total Size of Permanent Staff</i>
1957-58	1,917	20,760
1956-57	1,935	16,759
1955-56	1,164	14,658
1954-55	879	14,163
1953-54	1,108	13,208

*Specifying Salary Rates and the Value of Perquisites: The Public Service Act* assigns to the Commission the responsibility for specifying, in accordance with regulations, the salaries payable to civil servants and for determining the value of perquisites granted. Consequently the Commission is required to determine the salary that will be paid to a civil servant when he is first appointed and also to approve all subsequent changes.

Under the previous heading we noted that, on the basis of the recommendations of the Classification Committee, which studied compensation arrangements at that time, regulations were issued in 1946 which prescribed a set of position classifications for each department and a salary rate or range of rates for each classification. In dealing with its responsibilities the Commission has continued to use a salary administration procedure incorporating the general features of that arrangement.

Since 1946 it has been necessary, of course, for the Commission to recommend many changes in details of the original arrangements. In addition to providing a basis for keeping salary levels in the Ontario Civil Service in suitable relationship with those prevailing in other public service and private fields of employment, the changes that have been embodied in subsequent regulations relating to salary specifications have been needed for a variety of reasons. The more important ones are noted below:

- to eliminate inequities resulting from failure of the original salary

## *Organization of Government in Ontario*

specifications to provide like salary opportunities for similar jobs in different departments. When the original classification arrangement was adopted, relatively little attention was given to detailed examination of inter-departmental job comparisons.

- to provide appropriate salary rates for new positions resulting from the introduction of new activities and from changes in organizational arrangements in the various departments.
- to take into account the changes that have taken place in the demands for the services of certain types of technical and professional personnel and hence in the relative rates of salary required to recruit personnel of this type.
- to establish a set of rates and rate ranges that conform to an orderly pattern and, when rate ranges are prescribed, to set out a systematic arrangement for determining from within the range the rate of salary normally payable to an individual employee.

The detail work in this sphere is performed by the staff of the Commission's Classification Office. The Office participates in a number of wage and salary surveys; those undertaken regularly include the annual surveys conducted by the Ontario Hydro-Electric Power Commission and the Bell Telephone Company personnel divisions and a semi-annual survey conducted by the Public Personnel Association. In addition the Office co-operates with the Pay Research Bureau of the Federal Civil Service Commission in the assembly of information relating to wage and salary rates.

From those sources information is accumulated to show current rates of salary being paid employees engaged on a variety of positions common to many employing establishments. The Commission uses this information to decide upon desirable rate ranges for similar jobs in the Ontario public service and to consider the need for changes in the general level of salary rates in the service. In addition to assembling information from these general salary surveys the Classification Office carries out frequent investigations of salary rates being paid by other employers for specialized individual position classifications and groups of classifications.

An indication of the frequency and the number of changes made in the salary rate schedules that have been specified by the regulations during recent years is supplied by the following tabulation. It shows, by year over the past six years, the number of Orders-in-Council issued to provide for



## *Civil Service Commission*

changes in the prescribed salary rate schedules and the numbers of changes made in individual classification rate figures.

<i>Fiscal Year</i>	<i>Number of Orders- in-Council Issued</i>	<i>Number of Changes Made in Individual Class Salary Rates</i>
1957-58	4	912
1956-57	4	935
1955-56	10	586
1954-55	4	148
1953-54	6	919
1952-53	7	303

We have been advised that at no time through this period did the Commission recommend an all-inclusive upward adjustment of prescribed rates to keep civil service salaries in line with the generally rising rates of other employers. In all cases the adjustments recommended were on a selective basis. We were informed that by following this procedure the Commission has been able to eliminate progressively from the prescribed salary structures many inequitable relationships that had existed under the classification arrangements and rate ranges that were constituted originally.

However, examination of the table does show that rate adjustments were recommended for all but a limited number of classifications in three of the fiscal years. Through the period the average rate of salary paid to all civil servants has risen steadily as is shown by the following figures:

<i>Fiscal Year</i>	<i>Average Salary Rate</i>	<i>% Increase over Previous Year</i>
1957-58	\$3,825	10.7%
1956-57	3,457	7.2%
1955-56	3,224	5.6%
1954-55	3,052	3.0%
1953-54	2,963	2.8%
1952-53	2,881	

The structure of salary rates and rate ranges established by the current regulation has the following main features:

A total of 124 single rates or rate ranges are prescribed to provide

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salary rates applicable to the total of more than 1,000 position classifications that are identified. However, in many cases two or more rate ranges start from a common minimum rate and the total number of ranges starting from a different minimum rate is thus reduced to 50.

The rate ranges have been arranged so that an orderly and practical differential is created between the minimum rate of one range and that of the next higher range. The minimum of the lowest range is \$1,800 per year. That of the next higher range is \$1,920 and uniform differentials of \$120 are used up to a \$3,600 figure. At this point the amount of the differential begins to increase progressively until a difference of \$500 per year between ranges is provided at a level of \$9,500 per year. The resulting rate structure provides, at the minimum rate point of each range, for uniform differences of approximately 5% in salary level from one range to the next.

Two single rate figures are included in the structure and each of these applies to classifications dealing only with probationary employees. For all other classifications a range consisting of a progressive series of rates is provided. In each series steps are established in increments equal to the increments between minimum rates from range to range. Thus the first step rate above the minimum for any range is the same as the minimum rate of the next higher range and on the average the amount of change in salary level from step to step in a range is about 5%.

By directive of the Commission the employing departments are instructed to engage new appointees at the minimum rate of the applicable range and to recommend annual salary changes on a step by step basis to the maximum rate in the range if the employee's performance is satisfactory. Departments are expected to withhold the normal progression increase if employee performance is inadequate and can request additional step increases to give recognition to unusually meritorious performance. In special circumstances new appointees may be engaged at salary steps in excess of the minimum rate of a range but this is discouraged by the Commission. The number of progression steps established for the different individual salary ranges vary from a minimum rate plus two steps to a minimum rate plus nine steps. The majority of ranges incorporate four or five steps as is shown by the following analysis:

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<i>Number of Progression Steps over Minimum Rate</i>	<i>Number of Ranges with Indicated Steps</i>
2 steps	9 ranges
3	21
4	47
5	30
6	10
7	3
8	1
9	2

It has been the objective of the Commission in recent years to introduce the use of ranges composed of a minimum rate plus 4 progression steps wherever practical. However, shorter ranges are employed for classifications covering highly routine or menial work. Longer ranges have been found desirable for classifications covering certain types of work of a professional or technical nature in fields, such as teaching, where promotional opportunities are limited.

The design features described above result in a salary structure that can be administered in a relatively uniform manner from department to department. In addition they tend to minimize the number of different salary rates in use and so reduce the work associated with processing and controlling rate changes.

The maximum salary rate that is provided for by the rate ranges specified in the current regulation is \$15,000. However, it should be noted that the positions of deputies, ministers and certain other senior officials such as members of boards and commissions, etc. are not included in the formalized classification plan and that salaries paid to such personnel exceed in some cases the maximum rate provided for by the classification plan. While such positions are not covered by the formal specifications of the classification plan, the Commission exercises the same general form of control over salary rates in this area as it employs elsewhere.

In the opinion of the officials of the Commission the type of salary structure now being employed and the methods used for establishing classification specifications provide a sound basis for achieving equitable administration of salaries in all branches of the service. They are satisfied that this end can be accomplished if steps are taken to ensure that an adequate program for maintaining up-to-date classification specifications is undertaken.



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Earlier in this report we referred to the fact that the Commission is required to certify all changes in the rate of salary paid to any civil servant. The processing work associated with the responsibility for certification is dealt with by the Commission's personnel section. The size of the task involved, when processing for progression increases in salary rates is included, is indicated by the following figures:

<i>Fiscal Year</i>	<i>Total Number of Salary Rate Transactions Certificated</i>
1957-58	44,917
1956-57	44,831
1955-56	35,430
1954-55	29,421
1953-54	32,305

*Valuation of Perquisites:* Civil servants employed in a variety of circumstances such as with institutions of various kinds, with the Provincial police force and with departments carrying on activities in remote areas are frequently required to live in quarters provided by the departments. At one time such accommodation was supplied without charge to the employee although its value was taken into account as a perquisite in establishing salary levels. That is no longer the case. Charges representing the estimated actual value to the employee for all perquisites of this nature are now assessed and collected from the employees concerned. The full time of one member of the Commission's staff is devoted to carrying out the investigations and studies that are needed to establish appropriate values for the perquisites that are provided.

*Study of Organization and Administration of the Staffs of the Departments:* *The Public Service Act* defines the duties assigned to the Commission in this area in the following terms:

Section 2 (2) (d)

"The Commission shall study the organization and administration of the staffs of the departments and make such recommendations to the Lieutenant-Governor in Council as it deems proper with respect to:

the organization and administration methods in any department;

the co-ordination of the work of the departments; and

generally the improvement of the civil service."

It will be clear that these provisions assign very broad responsibilities to the Commission in respect to matters of departmental administration. In practice the Commission has been cautious in exercising the powers of

## *Civil Service Commission*

study and investigation that are given. Its activities in the area have been confined to undertakings relating to the following matters:

- the development of recommendations relating to the definition of conditions of work and employment governing civil servants.
- the study of staff organizational arrangements required within departments to provide for the establishment of practical position classifications and associated salary rates.
- fostering the formation of personnel units within the individual departments and the introduction of formalized programs for employee training and development.

The Commission's work in connection with these different matters are outlined below:

*Conditions of Work and Employment:* The Commission reviews periodically and recommends changes in or additions to regulations covering the general conditions of work and employment governing all civil servant staffs.

The regulations establish detailed rules and procedures concerning office hours, attendance, sick leave credits, vacations, penalties for certain types of misdemeanors, dismissal, etc. Included in the regulations dealing with these matters are two which establish agencies that are separate from, though so constituted as to be closely related to the Commission, and assign certain responsibilities within this area to them. The agencies are the Civil Service Board of Review and the Joint Advisory Council.

In addition, Part II of *The Public Service Act* establishes a third agency that is charged with specialized responsibilities in this area. It is The Public Service Superannuation Board.

*Civil Service Board of Review:* The regulation under which this Board is established specifies detailed procedures which ensure civil servants the right of appeal to a board of review before they can be dismissed. That right is granted to all civil servants who are of permanent status or whose period of service has been one year or more, with the exception of members of the Ontario Provincial Police.

The regulation provides that the Board be composed of three members as follows:

- a member of the Civil Service Commission designated by the Lieutenant-Governor in Council.
- a member appointed by the Ontario Civil Service Association,

## *Organization of Government in Ontario*

which is the formal employee organization representing civil servants.

– a member appointed by the Lieutenant-Governor in Council.

The Chairman of the Board is appointed from among the members by the Lieutenant-Governor in Council and is normally the Chairman of the Commission. Currently the two additional members are E. H. Silk, Q.C., Assistant Deputy Attorney General, appointee of the Lieutenant-Governor in Council and J. Sedore representing the Civil Service Association.

Through membership on the Board of Review the Commission exercises a measure of control over dismissals.

*Joint Advisory Council:* Regulations also provide for the establishment of a Joint Advisory Council consisting of seven members made up of three members appointed by the Ontario Civil Service Association, three appointed by the Provincial Secretary and one a member of the Civil Service Commission who shall act as Chairman.

The regulations state that the function of the Council shall be to study, consider and make such recommendations to the Executive Council as may be deemed proper with regard to the following matters:

- the general principles governing appointments, promotion, remuneration, vacations, hours of work, superannuation and discipline, excluding suspension and dismissal.
- the improvement of methods for carrying on the public business and the provision of means whereby the ideas and experience of members of the Civil Service may be considered and utilized.
- the development of a career service, including methods of training members of the civil service along lines which will better fit them for promotion and for advertising and publicizing the avenues along which members of the civil service in various classifications may progress to higher positions within the service.
- proposals for legislation affecting members of the civil service with relation to their employment.

It will be noted that in addition to covering matters relating to conditions of work and employment these functions assign the Council responsibilities in general areas of departmental organization and administration which parallel the responsibilities of the Civil Service Commission. Further it will be noted that the regulations place the Chairman of the Council, as a member of the Commission, in the position of being associ-



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ated with the submission of recommendations to the Executive Council by two separate bodies, the Council and the Commission, in respect to a single matter.

At present only six of the Council membership appointments are filled.

The members at this time are as follows:

Appointees of the Lieutenant-Governor in Council:

J. B. Metzler—Acting Chairman

Deputy Minister of the Department of Labour

W. M. McIntyre

Secretary of the Cabinet

A. E. Stacey

In his former capacity as

Superintendent of Business Administration

Department of Labour

Appointees of the Ontario Civil Service Association:

W. C. Harper

V. F. Culliton

D. H. Murray

Mr. Metzler has been serving as Acting Chairman since the retirement from the service of the former Chairman of both the Council and the Commission. Mr. Stacey, now Chairman of the Commission, would prefer not to accept the position of Chairman of the Council or to be a Council member because of the situation that has been noted above. His views on this matter are reflected in certain of the plans which the Commission has in mind for improving its services in the future. Those plans are outlined in the following section of this report.

*The Public Service Superannuation Board:* Parts II and III of *The Public Service Act* establishes detailed rules and procedures for the administration of a superannuation and disability plan for civil servants. The plan has the following main features:

- contributions to the plan are compulsory on the part of all civil servants.
- an employee's contribution is at a rate of 6% of his salary.
- all "permanent" employee contributions are matched by an equal contribution out of the Consolidated Revenue Fund. The Act pro-

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vides that should the sums made available from contributions be insufficient to meet benefit requirements shortages will be made up from Consolidated Revenue Fund.

- superannuation allowances are payable at age 65 in amounts up to 70% of the average salary paid an employee in the three consecutive years of his employment when his salary payments were highest. To obtain the maximum rate of allowance an employee must have contributed to the plan for 35 years of service. Graded payments are provided for shorter periods of contribution and for earlier retirement.
- provision is made for the payment of disability allowances to employees unable to perform their duties by reason of mental or physical incapacity.

The Act provides that the plan will be administered by a Public Service Superannuation Board composed of three members appointed by the Lieutenant-Governor in Council with one member being the representative of and employed in the Civil Service.

At present appointees fill only two of the three memberships. The Provincial Secretary is Chairman and D. P. Holmes is the member representing the Civil Service.

While the Act makes no such stipulation it has been the practice for the Chairman of the Commission to be appointed a member of the Board. All administrative work relating to the operations of the plan is carried on by a secretary and staff of the Board. Currently the administrative staff engaged on board work numbers some 20 employees.

*Staff Organization Studies:* In the course of dealing with its responsibilities in the area of salary administration, the Commission's Classification Office frequently encounters situations in which a re-arrangement of staff organizational arrangements is needed to provide a sound basis for classifying positions and could be expected to improve the effectiveness and morale of the staff of a departmental unit. When such situations are encountered the Commission suggests to the departmental officials that a comprehensive study be undertaken by its Classification Officers to develop a proposed plan for distributing duties to individual employees and introducing improved administrative arrangements.

At the request of the departments, the Commission, in recent years, has been undertaking some five to ten studies of this type each year. However, its ability to provide services of that kind has been limited by short-

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ages of qualified personnel in its Classification Office and the heavy volume of more routine classification work which that Office has been required to handle.

*Promotion of Departmental Personnel Programs:* For some years the Commission has been sponsoring the use of personnel officers or personnel units within the individual departments so that the departments may be better equipped to deal with matters relating to employee selection, personnel relations, classification, employee training and development, etc. The Commission believes that the use of personnel specialists within the departments results in more uniform administration throughout the service and reduces the incidence of employee problems.

The Commission has been assisting the departments to develop their own personnel programs in a number of ways. It has assisted in the selection of staff for this work and undertaken the preliminary training of staff engaged for the work. It has released staff from its own organization to fill personnel service positions within some departments. The Commission's personnel have worked with the personnel officers of departments in developing employee training plans for the staffs of the departments. Currently 10 departments are employing specialized staff to carry on personnel work within their own organizations.

On the recommendation of the Civil Service Commission an advisory committee was established by an Order-in-Council in May, 1957 to assist the Commission's work in this field. The committee was given the name Personnel Officers' Council. The regulation provides that it be comprised of the Personnel Officer of each department or an alternate appointed by the Deputy Minister and staff of the Commission and the Public Service Superannuation Board designated by the Chairman of the Commission. The purposes of the Council are stated as follows:

- provide an opportunity for departments to recommend to the Commission modifications in existing policies, practices and procedures relating to personnel management.
- analyze, discuss and recommend solutions for general problems of personnel management identified by the departments but not covered by existing personnel regulations or directives.
- serve as a sounding board for proposed policy changes.
- generally elicit the full contribution which good personnel administration, as a phase of management, can make to the efficiency of departmental operation.



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While the Council has not as yet been formally organized, steps have been taken by the Commission to initiate an active program during the fall of this year.

### **Commission's Plans for Improvement of its Services**

At present the Commission has under consideration plans for improving the services that it supplies in a number of ways. Some of these are outlined briefly in the paragraphs which follow.

*Expansion of Classification Staff:* The Commission's Classification Office has been unable to give prompt attention to all the demands for the services of classification officers which it has been receiving. In particular it has frequently had to delay, for extended periods, requests from departments for comprehensive studies of organizational arrangements. The Commission believes that the services which it can supply in that area can be of great assistance to the departments in their efforts to improve their operating effectiveness and that departmental demand for its services will grow in the future.

Consequently in preparing its proposed plans for the coming year it intends to recommend that the size of its present staff of classification officers be increased by approximately one third.

*General Employee Training and Development:* While the staff of the Commission has been assisting the departments in introducing measures for training and developing staff within their organizations, that work has not been the particular responsibility of any one member of the Commission's staff. Nor has any formalized program for supplying this type of service been drawn up.

The Commission has concluded that steps should now be taken to add to its organization a specialized unit including staff qualified to provide the departments with consulting services in the field of employee training and development. It contemplates that this unit would be equipped to first work with the officials of a department in making an orderly overall survey of the department's current and future manpower training needs. To that end a comprehensive analysis would be made to disclose the various openings in supervisory positions that are likely to occur because of future retirements or as a result of expansion in the department's work. The strengths and weaknesses of the personnel available to fill these openings would be assessed and from that information training plans designed to meet the specific needs of the department would be recommended.

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To initiate its work in that broad field the Commission is proposing to recommend the addition to its staff at this time of an individual qualified to introduce a program of this kind and the provision of a sum in its budget to cover the costs of retaining instructors and conducting training seminars within a limited area.

*Staff Organization:* The Commission has in mind the adoption of a revised plan of organization for its own staff. The plan it is intending to introduce establishes five main staff sections which would be as follows:

*Personnel Management Section:* This unit would include all classification office and certification staff. It would be responsible for all activities relating to classification, compensation perquisites, organization and methods studies, the determination of establishments and certification.

*Recruitment Section:* With some strengthening of staff this section would handle all recruiting and checking of qualifications of applicants.

*Staff Development Section:* This is a new unit whose functions were outlined under the previous subheading.

*Research and Statistics Section:* This new unit would be responsible for carrying out the Commission's salary survey programs and undertaking special studies relating to personnel practices.

*Administrative Office:* This section would handle all records, maintain the Commission's files and deal with accounting functions.

Each of the above sections would report through the Commission's Director of Personnel to the Chairman of the Commission. The Director of Personnel would be responsible for dealing with day-to-day administrative matters. The Chairman would direct the planning of longer range projects and undertakings of the various sections and guide the application of Commission policies and directives as required.

*Relationship with Joint Advisory Council:* Earlier in this report we noted that current regulations provide that the Chairman of the Joint Advisory Council be a member of the Civil Service Commission and that as a result he may be placed in a position where he is associated with recommendations concerning a single matter that are made to the Lieutenant-Governor in Council by two separate bodies. The present Commission does not believe that one of its members should be placed in that position. In addition it holds the opinion that benefits would be obtained if the regu-

## *Organization of Government in Ontario*

lations relating to the Joint Advisory Council provided that it should, where appropriate, make recommendations to the Civil Service Commission rather than to the Lieutenant-Governor in Council.

The Commission intends to recommend, therefore, that those regulations be revised to provide that the membership of the Council does not include a member of the Civil Service Commission and that the Council may make recommendations to the Commission.

Should you require any additional information concerning the functions of the Commission we shall be pleased to secure it for you.

Yours very truly,

J. D. WOODS & GORDON LIMITED



## 2. Farm Products Marketing Board

Mr. W. L. Gordon, F.C.A., Chairman,  
Committee on the Organization of  
Government in Ontario,  
Toronto, Ontario.

September 8, 1958

Dear Sir:

We are pleased to submit herewith our report covering the organization, functions and responsibilities of the Farm Products Marketing Board. This report covers a review carried out in accordance with your letter of July 23, 1958 addressed to Mr. G. F. Perkin, Chairman, Farm Products Marketing Board.

The Board consists of five members, most of whom are in the Department of Agriculture, and was established by *The Farm Products Marketing Act* to administer the Act. The purpose of this Act is to provide the means by which producers of farm products in Ontario may regulate and control the marketing of their products in Ontario. Each commodity plan is administered by a local board of producers elected annually by the producers of the product in question. This regulation is exercised through various marketing plans.

The essential feature of the marketing plans is that where the majority of the producers of a commodity desire to sell their product collectively all producers may be compelled by law to join in a common sales policy. The legislation offers any producer commodity group a choice of two methods of operation in developing a marketing plan:

- by setting up negotiating or collective bargaining organizations, or
- by appointing a marketing agent or agencies.

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The majority of the plans have been set up under the first method—the only two plans still operating under the second are Fresh Peaches and Hogs.

Farmers generally became aware of the need for joint action with respect to processors about 1929-31 when there was a great decline in income from farm products. In order to protect themselves against fluctuating incomes, various attempts were made by producers to place the marketing of the products on a co-operative basis. In 1934 federal legislation was enacted to encourage marketing schemes for the protection of producers. In 1937 the federal government withdrew from this field and the Ontario government immediately enacted *The Farm Products Control Act*. Out of this has emerged *The Farm Products Marketing Act*, R.S.O. 1950, Chapter 131.

The functions of the Board in the administration of the Act are threefold. Firstly, it receives requests from groups of producers seeking approval of marketing plans and invites representation being made on them. Secondly, it considers such plans and if it is satisfied a proposed plan will promote the more efficient marketing of the farm product in question it arranges for a vote to be taken of the producers of the product or products to be regulated before the plans are approved. Presently 66 $\frac{2}{3}$ % of the producers of a product proposed to be brought under a plan who vote must be in favour before a plan may be recommended by the Board for approval. Thirdly, it exercises general supervision over the operation of any plan to ensure that its purpose or the powers delegated to the producer board administering it are not exceeded.

At present there are fourteen marketing plans in force covering twenty-eight crops such as seed-corn, hogs, vegetables for processing, etc. Generally speaking, the plans do not cover commodities such as fresh fruits and vegetables marketed through the tenants of the Ontario Food Terminal, which are for direct consumption without processing.

The results of our findings are set out in more detail in the attached memorandum prepared in accordance with the standard questionnaire. This should be read in conjunction with the following exhibits supplied by the Chairman of the Board and given to your office:

- copy of *The Farm Products Marketing Act*, Chapter 131, R.S.O. 1950.
- Report of Markets Branch for year ended March 31, 1958.  
Regulations made under the Act.

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- The Ontario Hog Producers' Marketing Plan.
- Regulations made by the Board for taking of a vote of Hog Producers (to illustrate voting procedures on all plebiscites).
- The Ontario Flue-Cured Tobacco Growers' Marketing Plan.
- The Ontario Seed-Corn Growers' Marketing Scheme.

We wish to acknowledge the kind cooperation of Mr. G. F. Perkin and other members of the Board.

Yours very truly,  
PRICE WATERHOUSE & CO.

Members of the Board:

G. F. Perkin, Chairman—Commissioner of Marketing, Department of Agriculture, Chairman, Food Terminal Board.

V. S. Milburn—Member of the Ontario Municipal Board.

Dr. H. L. Patterson—Director of Farm Economics Branch, Department of Agriculture.

B. P. Teasdale—Associate Director, Markets Branch, Department of Agriculture, Chairman, Cooperative Loans Board.

C. R. Magone—Retired solicitor, Former Deputy Attorney General.

The Farm Products Marketing Board has no staff of its own. The clerical and stenographic staff are engaged primarily as civil service employees of the Markets Branch of the Department of Agriculture.

The best way to cover the history of the establishment of The Farm Products Marketing Board is to quote from a talk given by Mr. Perkin as follows:

“Following the fall in farm prices during the 1920's the Sapiro type pooling co-operatives with their iron-clad membership contract developed in several parts of Canada and the United States in an effort to increase farm incomes. These co-operatives did not prove fully successful. Complete control of the product was not achieved. Non-members were in a position to take advantage of any benefits in price resulting from the actions of the co-operatives without shouldering any of the burdens or responsibilities. There were always a number who were prepared to break away and cut prices or give secret rebates in one form or another. Depression began in 1929 and from then until 1933 intensified. The Federal Royal Commission on Mass Buying and Price Spreads in 1934 widely publicized certain aspects of large-scale buying which convinced farmers that the incidence of the depression was falling with undue severity on the prices of farm produce. For these and other reasons Canadian agriculture generally applauded the passing of



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*The Compulsory Natural Products Marketing Act* by the Government of Canada in 1934. This Act was patterned on the British Agricultural Marketing Acts of 1931 and 1933. This form of organization was originally developed in Queensland, Australia and took its first shape there in the Queensland Wheat Pool Act of 1920 which in turn was followed by the Queensland Primary Products Act of 1922. The essential feature of the Australian Acts and subsequently their British and Canadian counterparts is that where the majority of the producers of a commodity desire to sell their product collectively the minority may be compelled by law to conform with the majority.

In the brief two-year history of *The Compulsory Natural Products Marketing Act* some 22 marketing schemes across the Dominion were approved. Those from Ontario included cheese, flue-cured tobacco, burley tobacco and dry beans. Several additional schemes covered more than one province in which Ontario had an interest, like the Eastern Canada Potato Scheme and the Canada Jam and Processed Berry Scheme. But the validity of the Federal Act was questioned in 1935 before the Supreme Court of Canada. In 1936 the Court ruled the Act ultra vires Federal jurisdiction. The Government referred this opinion to the Privy Council for confirmation. In 1937 the Privy Council declared the Act unconstitutional on the grounds that it infringed provincial jurisdiction over matters of property and civil rights.

The Ontario Legislature moved immediately in 1937 to pass *The Ontario Farm Products Control Act* (now Marketing Act) in order to allow the Ontario marketing schemes then operating under the Federal Act to continue without interruption and to provide this form of organization to other groups of primary producers if they so desired. In the intervening years 18 marketing schemes covering 36 farm products have come under the shelter of *The Farm Products Marketing Act*. Three schemes covering 6 crops were revoked after varying periods of operation following plebiscites on the question of their continuation which failed to obtain the necessary degree of public support. This leaves 14 plans covering 28 crops in operation under *The Farm Products Marketing Act*. In addition 4 milk marketing plans covering cheese, whole milk, cream and condensed milk are administered under a separate but similar Milk Industry Act to *The Farm Products Marketing Act*. In all 18 marketing plans covering 32 crops are now in operation in Ontario at the present time or about three times as many as there are in all the other provinces of Canada combined."

To illustrate the scope of the Board's activities the following two definitions are quoted from the Act:

" 'Farm product' means animals, meats, eggs, poultry, wool, dairy products, grains, seeds, fruit, fruit products, vegetables, vegetable products, maple products, honey, tobacco, wood, or any class or portion of any such product, and such articles of food or drink manufactured or derived in whole or in part from any such product and such other natural products of agriculture as may be designated by the regulations.

'Marketing' means buying, selling and offering for sale and includes advertising, assembling, financing, packing and shipping for sale or storage and transporting

## *Farm Products Marketing Board*

in any manner by any person, and 'market' and 'marketed' have corresponding meanings."

*Personnel and Officers:* All members of the Board are appointed by the Lieutenant-Governor in Council on the recommendation of the Minister of Agriculture. The members of the Board are entitled to receive such allowances and expenses as the Lieutenant-Governor in Council may determine. Mr. C. R. Magone, the only member who is not presently a civil servant, serves on a per diem basis. The other members receive no fees or allowances.

The Board has no staff of its own. Mr. F. K. B. Stewart, Associate Director of this Branch, acts as Secretary of the Board.

*Financial Data:* The Board is considered to be an integral part of the Markets Branch, Department of Agriculture, and has no appropriation as such. Its revenues are insignificant and are derived from licences issued to hog-processors. Why fees are collected for such licences and not for other licences issued by the Board is not clear.

*Functions and Responsibilities:* The authorities of the Board are set out clearly in Section 3 of the Act. The chief function of the Board has to do with the establishment and supervision of local boards administering local marketing plans. The Board does not appear to indulge in active promotion of marketing schemes but rather to fill the role of co-ordinator.

The steps taken by the Board to administer regulations in this regard are three-fold:

- to receive requests from groups of producers seeking approval of the marketing plans, and if the group represents 15% of the producers affected by the proposed plans, the Board shall investigate and consider the purposes of the plans;
- if the Board is satisfied that the proposed plans will promote the more efficient marketing of the farm products concerned, the Board arranges for a plebiscite to be taken of the producers of the farm products on the question as to whether they are in favour of the plan. (Plebiscites on the continuation of existing plans or major amendments to existing plans may also be conducted by the Board either on a 15% petition of the producers concerned or at the Board's own option);
- if the required percentage of the producers (presently 66 $\frac{2}{3}$ % of those voting) vote in favour of the proposed plan, then the Board exercises general supervision over the operation of the plan on



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approval, to ensure that the powers delegated to the producer board administering the plan are not exceeded.

Subject to the foregoing the Board recommends the approval of a marketing plan to the Minister who in turn recommends it to the Lieutenant-Governor in Council. There are at present 14 marketing plans in force covering 28 crops. Each of these plans is administered by a local board elected by the producers. All price agreements, orders and directions of each local board are filed with the Farm Products Marketing Board.

The Board has powers to make regulations generally or with respect to any regulated product marketed locally within Ontario. These are set out in Section 6 of the Act.

The Board may be said to be both regulatory and quasi-judicial. Section 6 mentioned above establishes its regulatory powers covering such things as licensing of persons engaging in producing, marketing or processing of a regulated product; prohibiting persons from so engaging unless licensed; and so on. Section 3 gives the Board powers to settle disputes; investigate the cost of producing, processing and marketing; etc. In practice the Board does not act as an arbitrator. The processes of the two methods of operation as are follows:

*Negotiating or Collective Bargaining Group:* Under this method three farmer representatives appointed by their Farm Products Marketing Board sit down with three buyer representatives appointed by those licensed under the regulations establishing that Farm Marketing Board. They try to come to an agreement on a minimum price and terms of sale for the particular farm product. If they reach agreement no person can trade or do business below the price or terms in the agreement. If they hit an impasse each side appoints one representative to meet with a neutral third representative. This is arbitration. Out of this will come an award fixing the minimum price and terms of sale and that decision is final. In this group there are presently in Ontario 16 marketing plans which set minimum prices and terms of contract annually or as often as required to the farmer for 29 crops having a yearly farm value in excess of \$200 millions (1957). Flue-cured tobacco, 19 fruit and vegetable processing crops, sugar beets, seed-corn, soya beans, dry beans, soft wheat, cream, cheese, whole milk and milk for manufacturing are marketed by the farmer where he chooses, subject to the price agreements negotiated for him and below which no one may trade.

*Marketing Agency or Single Sales Agency Group:* Under this method complete control of the farm product in question is transferred



## *Farm Products Marketing Board*

from the farmer to a sales agency which has been appointed for the purpose by the farmers' Marketing Board. Prices and conditions of sale are set from day to day by the sales agency. This method is called the marketing agency or single sales agency method. In British Columbia this method of operation is called the "one desk deal". Under this method the sales agency has full trading powers over the marketings of the farm product. The agency with all of the product behind it has the exclusive authority to deal with all the various buyers. Under this form of marketing organization the farmer has given up his right to decide when and how and to whom his crops will be sold and has delegated this function outright to his marketing board.

The powers of the Board with respect to marketing agencies are set out in Section 7 of the Act which permits the Board to "make regulations vesting in any marketing agency any powers that the Board deems necessary or advisable to enable such marketing agency effectively to promote, regulate and control the marketing of the regulated product locally within Ontario.

*Operations:* The Board acts upon matters brought before it by producers. The delays, if any, experienced in handling such matters are due to the complexities inherent in bringing about happy solutions to the joint problems of producers and processors. Because of the desire of both parties to reach solutions, it is doubtful that any plan or proposal would be permitted to remain unsettled for long periods of time.

The operations of the Board are reported upon through the annual report of the Board to the Minister of Agriculture for inclusion in the Minister's annual report tabled in the legislature. The operations of the Milk Industry Board of the Province of Ontario with respect to the marketing of some milk products are similar to the operations of this Board. Liaison is also carried out with the Department of Agriculture, Ottawa. A copy of the annual report of the Markets Branch for the year ended March 31, 1958, is enclosed.

Policy matters are referred to the Minister of Agriculture through the usual channels available to the Department of Agriculture.

### **Addendum, September, 1959**

Composition of the Board has been changed to include representatives of the farm products industry as well as employees of the Department of Agriculture.

## *Organization of Government in Ontario*

Board members are:

- Geo. McCague, Chairman, Markets Branch, Department of Agriculture.
- Hugh Bailey, General Manager, United Co-operatives of Ontario.
- C. R. Magone, Retired solicitor.
- W. C. Nickerson, Chairman of Ontario Tender Fruit Growers' Marketing Board and the Ontario Asparagus Growers' Marketing Board.
- Bruce Teasdale, Markets Branch, Department of Agriculture.

Legislation enacted in 1959 has broadened the powers of the Board, particularly with respect to the control of local boards and marketing agencies.

An amendment to Section 6 of *The Farm Products Marketing Act* provides that agreements and awards, made by negotiating agencies established under this section, may be re-negotiated on order of the Board in such manner as the Board may determine.

Section 7(a) of the Act states that—

“where the Board delegates to a local board any of its powers or vests in a marketing agency powers to promote, regulate and control the marketing of a regulated product, the Board may, at any time,

- (a) limit the powers of the local board or the marketing agency in any or all respects; and
- (b) revoke any regulation, order or direction of the local board or marketing agency made or purporting to be made under such powers.”

### 3. Hydro-Electric Power Commission of Ontario

Mr. W. L. Gordon  
Chairman  
Committee on The Organization of  
Government in Ontario  
Toronto, Ontario

November 5, 1958

Dear Mr. Gordon:

In accordance with your instructions we present in this memorandum a review of the affairs of the Hydro-Electric Power Commission of Ontario that is designed to provide your Committee with a general understanding of its principal responsibilities, its method of operation and the nature of its relationships with the Provincial authorities.

Our review provides information on these matters under the following main headings:

- Broad Outline of the Commission and its Activities

- Organization Structure

- Responsibilities of the Commissioners and Relationships with the Staff

- Statutory Powers of the Commission

- Commission Financing

- Rates

- Planning, Procurement and Construction Policies

- Property and Taxes

- Policy Questions Dealt with by the Commission

- Reports to and Relationships with Provincial Authorities.



## *Organization of Government in Ontario*

### **Broad Outline of the Commission and its Activities**

The Hydro-Electric Power Commission of Ontario is a self-sustaining corporation that came into being in 1906 and operates under the authority of *The Power Commission Act*. It has extensive powers and responsibilities in the provision and delivery of electricity throughout the Province and exercises certain regulatory functions over the municipal electrical utilities that it serves. The system operated by the Commission is divided into two parts for financial and administrative purposes. These are known as the Southern Ontario System and the Northern Ontario Properties. The large Southern Ontario System is a co-operative system that is concerned primarily with serving the extensive group of municipalities that receive power from the Commission at cost. The much smaller Northern Ontario Properties is not primarily a co-operative system although it does serve on a cost-contract basis a limited number of municipalities who acquire an equity in the system proportionate to their contribution to the sinking fund. Apart from the supply of power to and the interest in the equity of the cost-contract municipalities, the Northern Ontario Properties are held and operated by the Commission in trust for the Province of Ontario.

The Commission is responsible for the provision of electricity—either by generation or purchase—and its transformation, transmission and delivery in wholesale quantities to municipal electrical utilities, certain large industrial customers and rural operating areas.

In most cities and towns and in many villages and certain township areas retail distribution of electricity is conducted by municipal commissions under the general supervision of the Commission as provided for in *The Power Commission Act* and *The Public Utilities Act*. The local commissions own and operate their own distribution facilities. In a small group of municipalities the Commission owns the distribution facilities and conducts retail distribution through local systems. Throughout most of rural Ontario the Commission, on behalf of the respective townships in the South and on behalf of the Province in the North, operates the distribution facilities and attends to all physical and financial operations connected with the retail distribution of electricity to the customers in the rural operating areas. Since 1944 the rate structure applying to rural customers designated as farm, hamlet, commercial and summer service has been uniform throughout the Province.

The basic principle governing the financial operations of the Com-

## *Hydro-Electric Power Commission of Ontario*

mission and its associated municipal electrical utilities is that electrical service is provided at cost. Cost is defined by *The Power Commission Act* to permit the inclusion of sinking fund provision and reserves for stabilization of rates and contingencies as well as operating expenses, interest on funded debt and depreciation. The joint enterprise has been self-supporting from its inception apart from the assistance provided by the Province for fifty per cent of the capital cost of rural distribution facilities. The Province guarantees the payment of principal and interest of all bonds issued by the Commission and held by the public.

Responsibility for establishing the policies to be adopted by the Commission rests with Commissioners who are appointed by the Lieutenant-Governor in Council. The members of the Commission may vary from three to six in number, of which one must be and another may be a member of the Executive Council of the Province.

To carry out the far-reaching activities of the Commission an extensive organization is required and as of June, 1958, the staff comprising it numbered some 18,500 persons. During 1957 the Commission delivered 28,514 millions of kilowatt-hours of energy in serving some 1,674,000 customers through the combined systems. At the end of 1957 the total assets of the Commission exceeded \$2,250,000,000 and its long term debt exceeded \$1,500,000,000. By any standards it ranks as one of the very large public utilities in North America.

### **Organization Structure**

The organization structure of the Commission is discussed below in two parts, viz. the Commissioners and the Management Organization.

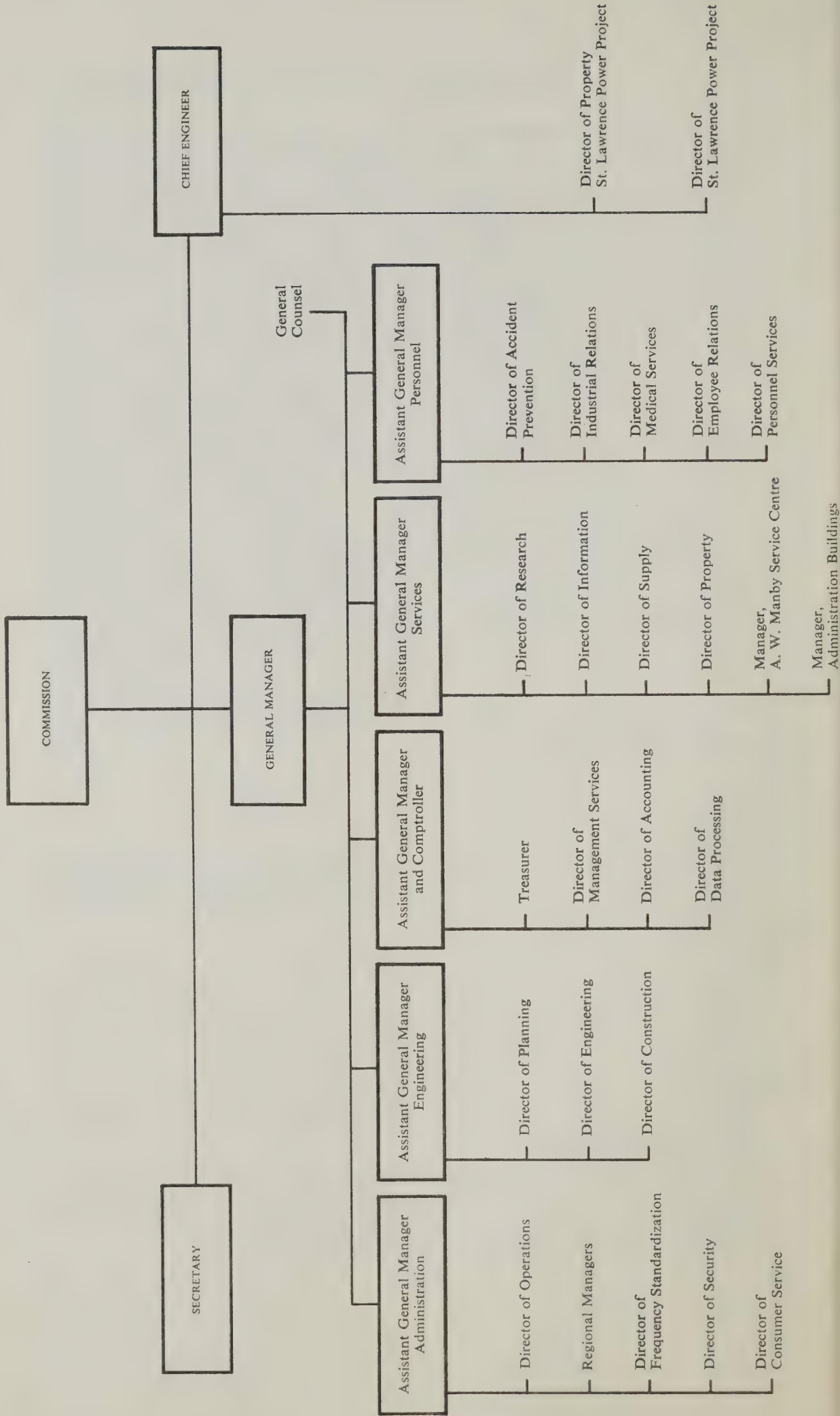
#### *The Commissioners*

All Commissioners are appointed by the Lieutenant-Governor in Council who appoints one of them as chairman and two others as first and second vice-chairmen. These three persons are the chief executive officers of the Commission and constitute the Executive Committee. This Committee is responsible for the direction and control of the activities of the Commission. The Committee may delegate such powers as it sees fit to other Commissioners.

The number of Commissioners must be not less than three nor more than six at any time. This body constitutes the official authority of the Commission on important policy decisions. The members hold office at

THE HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO

Organization Chart





## *Hydro-Electric Power Commission of Ontario*

the pleasure of the Lieutenant-Governor in Council and their salaries are paid by the Commission. There are five Commissioners at this time, namely,

James S. Duncan, C.M.G., LL.D.	—Chairman
W. Ross Strike, Q.C.	—First Vice-Chairman
Honourable Robert W. Macaulay, Q.C., M.P.P.	—Second Vice-Chairman
Lt. Col. A. A. Kennedy, D.S.O., E.D.	—Commissioner
D. P. Cliff	—Commissioner

### *Management Organization*

The organization of the Commission below the level of the Commissioners is set out in chart form on the opposite page. As may be seen from this chart there are three officers reporting directly to the Commissioners—the General Manager, the Chief Engineer and the Secretary.

*The General Manager* is responsible for all of the day-to-day activities of the Commission. He recommends, interprets, administers and supervises policies with respect to all activities except those relating to the construction of the St. Lawrence and Niagara Power Projects. Reporting to the General Manager are five Assistant General Managers, each in charge of a branch of the Commission's activities, and the General Counsel.

*The Chief Engineer* is responsible for carrying out two special projects for the Commission. He recommends, interprets and applies policies and legislation on the construction of the St. Lawrence and Niagara Power Projects; directs the engineering, design, property acquisition and construction of these projects; and maintains liaison with the New York State Power Authority and other agencies, as needed. He is assisted by two Directors on the St. Lawrence Power Project—a Director of Property and a Director of the Power Project.

*The Secretary of the Commission* prepares agenda for and records the minutes of Commission meetings, and prepares and issues official correspondence, orders and policy statements as instructed by the Commission. He is responsible to the General Manager for the Library, for Records Management, for the Central Stenographic Services, and for the Internal Audit activities of the Commission.

The regular activities of the Commission are carried out under the direction of the General Manager through five branches—Administration, Engineering, Personnel, Comptroller's and Services Branches. Each of these Branches is supervised by an Assistant General Manager.

## *Organization of Government in Ontario*

In the field, the day-to-day activities of the Commission are carried out through nine Regional organizations. Each Regional organization is directed by a Regional Manager who is responsible to the Assistant General Manager—Administration.

A brief description of the activities that are carried out in these Branches and in the Regions follows.

*Administration Branch:* In this Branch are carried out all activities having to do with the operation, maintenance, and security of all facilities employed in the generation, transmission and distribution of power; relationships with customers of the Commission; frequency standardization activities; and the development of forecasts of future power requirements. In directing these activities the Assistant General Manager—Administration is assisted by four Directors: the Director of Operations, the Director of Consumer Service, the Director of Security and the Director of Frequency Standardization, and nine Regional Managers all of whom report directly to him.

The nine Regions into which the Province is divided for administrative purposes are as follows:

- Western Regions with headquarters at London
- West Central Region with headquarters at Hamilton
- Niagara Region with headquarters at Niagara Falls
- Toronto Region with headquarters at Toronto
- East Central Region with headquarters at Belleville
- Eastern Region with headquarters at Ottawa
- Georgian Bay Region with headquarters at Barrie
- Northeastern Region with headquarters at North Bay
- Northwestern Region with headquarters at Port Arthur

The Regional Managers act as the representatives of the Commission on all matters dealing with customers in their respective Regions. They direct the operation and maintenance of the Commission's generation, transmission and distribution facilities in their territory in accordance with approved policies and standards.

*Engineering Branch:* In this Branch responsibility is located for determining the additions and changes that are required in the generation, transmission and distribution facilities of the System to meet the current and future requirements of the Commission. Also within this Branch lies the responsibility for both the design and construction of these facilities.

## *Hydro-Electric Power Commission of Ontario*

In directing the activities of the Engineering Branch the Assistant General Manager—Engineering is assisted by the Director of Planning, the Director of Engineering and the Director of Construction.

*Comptroller's Branch:* In this Branch lies the responsibility for the financial, accounting, and budgeting activities of the Commission. An organization and methods service and a data processing service is provided throughout the Commission from this Branch. In directing these activities the Assistant General Manager and Comptroller is assisted by the Treasurer, the Director of Accounting, the Director of Management Services, and the Director of Data Processing.

*Services Branch:* The main activities carried out in this Branch consist of providing services to the Commission on Supply, Research, Testing, Information and Property matters, and administering the Service Centre and the Head Office Buildings. In directing these activities the Assistant General Manager—Services is assisted by the Director of Research, the Director of Supply, the Director of Information and the Director of Property. He is assisted also by the Manager of Administration Buildings and the Manager of the A. W. Manby Service Centre.

*Personnel Branch:* The main activities carried out in this Branch consist of developing and administering the personnel policies of the Commission, including wage and salary matters; carrying out industrial and employee relations activities; administering pension and insurance plans; developing and administering training plans; and providing medical and accident prevention services. In directing these activities the Assistant General Manager—Personnel is assisted by five Directors—the Director of Personnel Services, the Director of Employee Relations, the Director of Industrial Relations, the Director of Medical Services and the Director of Accident Prevention.

*General Counsel:* The main responsibilities of the General Counsel consist of recommending changes or additions to pertinent legislation to meet changing conditions; interpreting legislation; providing legal advice concerning the activities of the Commission; and initiating legal proceedings as needed.

### **Staff Appointment and Remuneration**

Appointments of senior staff who report direct to the Commissioners are made by the Commissioners. Appointments at the Executive and Senior Management level are recommended by the General Manager and



## *Organization of Government in Ontario*

made by him after approval by the Commissioners. Other supervisory appointments are made on the authority of the General Manager. All promotions and appointments are made on the basis of ability with seniority being considered as a factor.

Individuals accepting employment with the Commission are recruited by the Employment Department of the Commission and are obliged to comply with the requirements of any union security clause applicable to the position accepted and to the Commission's Patent Policy. They are required also to participate in the Commission's Pension and Insurance Plan after completion of a probationary employment period of three to six months.

Employment in positions of a continuing nature is only terminated, except for cause, when the individual reaches retirement age or can no longer perform adequately and satisfactorily. A minimum of fifteen days severance notice is required by either the employee or the Commission. However, normal terminations are made on a graduated basis depending on length of service and in accordance with legal requirements.

### *Scales of Remuneration*

There are five separate scales of remuneration existing in the Commission—one for each of the following classification of employees:

Hourly Rated Employees

General Salaried Staff

Professional Engineers

Supervisory Staff

Executive and Senior Management Staff

*Hourly Rated Staff*—The Hourly Rated Staff are all represented by unions and their rates of remuneration are negotiated annually. Through the years relatively well-defined relationships have been established between the wage rates applying to various occupational classifications and the management endeavours to maintain these relationships. To this end, changes in the general level of rates are normally negotiated on a percentage basis and not on a cents per hour basis.

*General Salaried Staff*—With the exception of positions exempted by law, members of this staff are all unionized and bargained for by the Ontario Hydro Employees Union. All positions in this group have been evaluated and orderly relationships have been established between salary rates applying to different groups and various occupational classifications.

## *Hydro-Electric Power Commission of Ontario*

Changes in the general level of salary rates are also negotiated on an annual basis and any increase is made normally in terms of a percentage in order to preserve the relationship. There are fifteen salary ranges existing in the remuneration of this classification of the Commission's staff.

Within each salary range there are four steps and the salary rate paid to an individual is increased through the range on a basis of annual progression. This is called Routine Progression and if an employee is performing satisfactorily he receives the progression increase in each year commencing at the end of his first year until the end of his fourth year, when he is at the maximum of the range.

*Professional Engineers*—The various positions occupied by Professional Engineers in the Commission have also been evaluated. There are six salary ranges covering these positions.

Both specifications of the salary ranges and salary rates are normally discussed with a committee of engineers each year and changes are made when they appear necessary. However, salary rates for this group are not negotiated on a bargaining basis at the present time. As with the other staff groups within the Commission, adjustments in rates of salary are made usually on a percentage basis in order to preserve the evaluation and relationship between positions.

Within each salary range there are four steps and adjustments are made on a yearly basis. This is called Controlled Progression and if an employee is performing satisfactorily he receives the progression rate each year commencing at the end of his first year until the end of his fourth year, when he is at the maximum of the range.

*Supervisory Staff*—This classification includes all junior managerial staff of the Commission, e.g. most Department Heads, Section Supervisors, etc. Their positions have been evaluated systematically and assigned to one or other of a series of six salary ranges.

Salary adjustments for members of this staff are made under the authority of the General Manager on recommendations of senior management and bear some relation to any overall adjustment being made to the general staff within the Commission.

Within each salary range there are four steps and adjustments are made on a yearly basis.

*Executive and Senior Management Staff*—This classification comprises the senior management staff and executives of the Commission, including the Assistant General Managers, the Directors and the Senior Department Heads. The range of salaries paid to this group is confined on the

## *Organization of Government in Ontario*

low side to the maximums that are paid to the Supervisory Staff and on the high side to the salary established for the General Manager. The salaries paid to this group are reviewed annually by the Commission and adjustments are made having regard to the responsibilities of the position concerned and the manner in which the individual carries them out.

### **Size of Organization**

Some conception of the size of the Commission and its operations may be gained from the following staff breakdown and operating statistics.

*Breakdown of Staff:* As of June, 1958, the Commission employed some 18,515 people of which 16,270 were male and 2,245 female. The breakdown of the Commission's staff by Branches and Regions is as follows:

Administration Branch		
Regions	8,837	
Head Office Divisions	770	9,607
	<hr/>	
Services Branch		1,632
Comptroller's Branch		526
Engineering Branch		4,983
Personnel Branch		
Regular Staff	162	
Engineers in Training	83	245
	<hr/>	
Sir Adam Beck Generating Station Project		516
St. Lawrence Power Project		787
Others		219
		<hr/>
Total		18,515

Of this total 14,051 were regular employees, i.e. employees who were considered to be continuing employees of the Commission. The remaining 4,464 were temporary employees, i.e. those taken on for seasonal work which does not last throughout the year.

*Operating Statistics:* The statistics that follow were selected to provide some idea of the extent of the activities of the Commission. These statistics apply to the operations of the Commission during 1957.



## *Hydro-Electric Power Commission of Ontario*

### FACILITIES

Generating stations in operation—Hydraulic	64	
—Thermal	<u>5</u>	69
Transformer stations in operation		124
Distributing stations in operation		570
Miles of transmission circuits		
230,000 volt	3,408	
115,000 volt	6,194	
69,000 volt	<u>7,116</u>	16,718

### CUSTOMERS

Municipally owned distribution systems served	351
Commission owned distribution systems operated	28
Total number of ultimate customers served	
through combined networks	1,674,062
Total energy delivered during	
year ( <i>millions of kilowatt hours</i> )	28,514

### RURAL OPERATIONS

Rural customers served	453,611
Miles of rural primary lines	45,375
Total energy delivered to rural customers during	
year ( <i>millions of kilowatt hours</i> )	2,203

### FINANCIAL

Amounts billed for energy during year	
Southern Ontario System	\$ 168,874,761
Northern Ontario Properties	31,921,710
Cost of additions to facilities during year	197,612,118
Cost of frequency standardization operations	
during the year	48,192,752
Total assets at end of year	2,254,503,479
Long term debt outstanding at end of year	1,572,600,993
Capital investment in rural facilities at end of year	224,931,491
Amount contributed by Province of Ontario and	
included in rural capital investment shown above	112,084,337
Surplus developed during the year from the opera-	
tions of the Northern Ontario Properties for the	
account of the Province	283,317

## *Organization of Government in Ontario*

### **Responsibilities of the Commissioners and Relationships with the Staff**

The Chairman of the Commission is the chief executive officer and presides at Commission meetings. In this capacity he is responsible for taking a leading role in developing and determining the overall policies of the Commission. He is the direct contact between the Commission and the Prime Minister of Ontario and consults with the Prime Minister on matters of policy in which the Government may be concerned, such as public financing, power sites and developments and long-term planning.

In carrying out his responsibilities the Chairman is in daily contact with the senior staff of the Commission for the purpose of interpreting policy decisions and giving advice and direction on matters affecting the overall organization and administration of the Commission. He keeps in close touch with the finances of the Commission and the details relating to the timing and pricing of bond issues. He supervises and approves all press releases and gives press interviews on behalf of the Commission and is its spokesman to representative gatherings and on radio and television. In addition the Chairman carries out the other normal responsibilities that go with his position, e.g. meeting and corresponding with large numbers of officials, visitors, municipal utility members and direct customers; making trips to Commission plants and offices; keeping informed on economic trends and Commission requirements; considering long-term plans, etc.

The duties of the Vice-Chairmen and members of the Commission may vary from time to time by reason of their respective special qualifications, experience and training. Under present arrangements, the 1st Vice-Chairman provides the principal contact with the municipal commissions in matters of policy. He meets with various local commissions and committees and attends district conventions for this purpose. He substitutes for the Chairman when the latter is absent and is available to the Chairman for consultation when required. The 1st Vice-Chairman is responsible also for looking after certain routine administration matters including the signing of executive and advance approvals required from day to day and the legal documents requiring the signature of a Commissioner; for consulting with staff in these connections; for supervising the opening of tenders and various problems arising therefrom; and for being available for discussions with the senior management staff.

The 2nd Vice-Chairman, as the representative of the Government on the Commission, brings to the Commission the viewpoint of the Gov-

## *Hydro-Electric Power Commission of Ontario*

ernment. At the same time he provides a voice for the Commission in the Legislature and in the Cabinet. He signs and advocates to the Cabinet all recommendations that require authorization or approval by Order-in-Council. Normally he presents legislation relating to the affairs of the Commission in the Legislature. He attends Commission meetings and is available for consultation with the Chairman and the 1st Vice-Chairman on policy and organization matters. He receives both individuals and delegations on Commission matters and carries on correspondence connected with this phase of his duties. He is available to carry on the duties of the Chairman or 1st Vice-Chairman when required.

The Chairman and the two Vice-Chairmen constitute an Executive Committee that is responsible for the general direction and control of the activities of the Commission and is empowered to exercise all the powers of the Commission in its name. These powers may be exercised by a majority of the Executive Committee.

The other members of the Commission attend Commission meetings and bring to the Commission experience, both in business affairs generally and in the municipal utility field in particular. They are given special assignments on various matters to represent the Commission at committee and executive meetings and conventions of the municipal organization and are available to meet delegations who wish to see the Commission.

All the members of the Commission are required to keep themselves informed on the activities of the Commission and are provided with information and regular reports to this end. A close working relationship has been established between the Commissioners and the executive management staff. The Chairman and the 1st Vice-Chairman maintain daily contact with members of the executive management staff. In addition, the General Manager, the Chief Engineer and the Assistant General Managers all attend Commission meetings and present their views on policy considerations.

### **Statutory Powers of the Commission**

The Hydro-Electric Power Commission of Ontario is an independent corporate body created originally by "An Act to provide for the Transmission of Electrical Power to Municipalities" that was passed by the Ontario Legislature in 1906. This Act was replaced in 1907 by *The Power Commission Act*, Chapter 19 of the Statutes of Ontario 1907, which continued the corporate body in existence. The present enabling legislation is



## *Organization of Government in Ontario*

*The Power Commission Act*, Revised Statutes of Ontario 1950, Chapter 281.

In broad terms the legislation governing the Commission gives it a mandate to produce power and supply it to municipal corporations at cost and to other customers at rates deemed to be reasonable by the Commission. Also, it requires the Commission to exercise regulatory responsibilities in determining the rates to be charged by the municipal corporations.

As an independent corporate body, the Commission has the legal capacity of a natural person. It has been held by a decision of the Privy Council, that it is not a department of government and that agreements with the Commission are not agreements with the Crown.

In addition to the "capacity of a natural person" the Commission has been given other special and extraordinary powers under *The Power Commission Act* and other legislation. It has the power of expropriation, the power to flood lands for the development of water power, and other special rights. Further, under the provisions of the Act while the Commission may sue and be sued, "no action of any kind whatsoever shall be brought against the Commission" without the consent of the Attorney General, and similarly "no action of any kind whatsoever shall be brought against any member of the Commission for anything done or omitted by him in the exercise of his office" without similar consent. This protection is designed to prevent "nuisance" actions. In practice the consent of the Attorney General is granted almost invariably.

In exercising many of its powers, the authorization or approval of the Lieutenant-Governor in Council is required. Examples of actions that require authorization or approval by Order-in-Council are as follows:

- developing new generating stations and their associated facilities.
- raising funds through bond issues.
- borrowing money.
- purchasing power.
- selling power as apart from supplying it to municipal corporations and rural customers.
- changing rural service charges or rural customer density requirements.
- determining rules and regulations for electrical installations.
- making insurance and pension arrangements for employees of municipal electric utilities.

## *Hydro-Electric Power Commission of Ontario*

- determining Commission pension and insurance arrangements.
- purchasing undertakings or assets of other corporations or shares in other corporations.

There are many more activities that require authorization or approval by Order-in-Council. Some of these require authorization before action is taken while others do not require approval until after the act.

Three acts of legislation provide special authority to the Commission that are of some interest and importance. One legislative act is concerned with the operation of the Northern Ontario Properties. Under special legislation enacted in 1933 the Province and the Commission entered into an agreement under which the Commission would operate existing and future generation, transmission and distribution facilities for the Province in that part of Northern Ontario which is served now by the Northeastern and Northwestern Regions. In the Northwestern Region the Commission now serves a limited number of municipalities on a cost or co-operative basis. Apart from these services the Commission operates and holds the facilities of the Northern Ontario Properties in trust for the Government of Ontario. Any losses or surpluses resulting from their operation are in theory a charge or credit to the consolidated revenue fund of the Province. In practice they are carried forward from year to year by the Commission and offset against future surpluses or losses.

The other two legislative acts deal with the development of the power resources of the International Rapids section of the St. Lawrence River and of the Niagara River. The St. Lawrence project is being carried out under special legislation, *The St. Lawrence Development Act, 1952* (No. 2) in which very broad and special powers are given to the Commission, without the need for further authorization or approval by the Lieutenant-Governor in Council. The special nature of this development requires close relationships between the Commission and other bodies such as the International Joint Commission controlling boundary waters, the Power Authority of the State of New York, the Board of Transport Commissioners for Canada, departments of the Government of Canada and the people residing in the affected area. Very wide discretion in the establishment of these relationships has been entrusted to the Commission.

The development of the Niagara River is being carried out under *The Niagara Development Act, 1951*, under which similarly broad powers are conferred on the Commission in dealing with that international waterway.

## *Organization of Government in Ontario*

### **Commission Financing**

Operating costs of the Commission are financed from revenues derived from the sale of power at interim rates to municipalities that are served under cost contracts and at fixed rates to all other customers.

Capital expenditures of the Commission are financed partly from funds made available from reserves for depreciation, partly from funds loaned by the Province or contributed by it towards the cost of rural distribution facilities, but largely from public borrowing.

During 1957 new bond issues of the Commission amounted to \$200,000,000. At the end of 1957 outstanding bonds of the Commission totalled \$1,526,123,500 of which \$1,235,228,500 were payable in Canadian funds and \$290,895,000 in United States funds.

Debentures of the Commission are guaranteed by the Province and each issue must be approved by Order-in-Council.

### **Rates**

One of the important responsibilities of the Commission is the determination of rates to be charged throughout the systems both to the customers of the municipal utilities, rural customers and to other direct customers.

The general policy of the Commission is to set rates that will remain generally stable over a reasonable period of time while recovering the cost of producing and delivering power to the ultimate consumers.

In the case of municipal utility rate structures consideration must be given to the development of equitable differentials in rates between domestic, commercial and industrial users to provide for their quite different load characteristics. It is necessary also to provide a range in the schedule of rates that is sufficient to meet the revenue requirements of each municipality. A new rate structure for municipal utility use was designed in 1955 to meet the changing pattern of customer use. This structure is being introduced gradually in individual municipalities as changes are needed in existing rates.

In the case of the large direct industrial customers, of which there are some 200, the form of the rate charged provides for characteristics of high energy use. Each direct industrial customer in the Southern Ontario System is served by the Commission on behalf of the municipal utilities as a group. The rates charged to each of these customers is based on the rate



## *Hydro-Electric Power Commission of Ontario*

charged to the nearby municipality adjusted to take care of the supply conditions applicable to the particular industrial load. Such rates are subject to annual review at the option of the Commission.

The rate structure applying to rural customers has been uniform throughout the Province since 1944. Rates charged to rural customers throughout the Southern Ontario System are sufficient to meet all of the costs of providing power to them. In the Northern Ontario Properties rural rates have been inadequate and the substantial losses incurred have been offset against the profits earned on power supplied to other customers.

In the Northern Ontario Properties power is supplied to the mines at a uniform rate based on the average cost of supply prevailing throughout the system. New mines are required to finance the cost of any new transmission lines that are required to serve them. Provision is made for the repayment of these costs to the mines at a rate of twenty-five per cent of their annual power accounts.

### **Planning, Procurement and Construction Policies**

In the following pages of this memorandum Commission policies respecting planning, procurement and construction activities are reviewed briefly.

*Planning Policies:* That the planning policies of the Commission are of considerable importance may be appreciated from the fact that in recent years additions to the facilities of the Commission have amounted to nearly \$200,000,000 per year. In addition plans for extending and improving the facilities must be developed and adopted well in advance of the time that the facilities must be in service. For example, it takes up to five years to engineer and construct new generating stations.

The policies followed by the Commission in planning for its facility requirements are as follows:

1. Forecasts are made of power and energy requirements throughout the Province for some years ahead.
2. Projects are planned to provide such power and energy and to make the changes that are needed to deliver it throughout the systems.
3. A plan is developed to fit the projects into an integrated program that can be financed and carried out on a practicable basis.

A capital budget is prepared each year that sets out the position of

## *Organization of Government in Ontario*

each capital project that is in process; new projects that have been approved and will start during the year; the work program that is planned for the year; and the work to be performed in future years on approved projects.

The capital budget is referred to the Commission each year for its review and approval and each individual capital project of substance requires the specific approval of the Commission before it is started.

*Procurement Policies:* The procurement policies of the Commission are discussed below under the headings Standard Items and Other Items (except land). Acquisition of land is reviewed in a later section of this memorandum dealing with property and taxes.

STANDARD ITEMS: For these items, which number some 10,000, limits of quality and technical characteristics are established by the Commission's Standards Committee in the form of a specification. Ability to meet the specification is a prerequisite of any bids submitted for such items and the lowest price is the deciding factor unless there is something unusual in the supplier's terms.

OTHER ITEMS (EXCEPT LAND): Quotations on purchases of other items are solicited on the basis of a firm specification to the extent that it is practicable to do so. It is not always possible to do this and in some cases there are important variations in the characteristics of the proposals received. In these instances it becomes necessary to place a value on such factors as efficiency, durability or additional engineering or construction costs that might be incurred. Under these circumstances the proposals are reviewed on a "best value" basis and the lowest tendered price is not always accepted.

Sealed tenders are called on all individual purchases of over \$5,000. The tenders are opened in the presence of a Commissioner, after which an analysis of the bids is made and a recommendation submitted to the official or officials that have the authority to make a final decision. Acceptance of tenders for materials, etc. that exceed \$50,000 require the approval of a Commissioner. All purchases involving a contract require the approval of the Commission. Tenders involving construction work must be accompanied by a certified cheque on a Canadian chartered bank for 10 per cent of tenders up to \$500,000 plus five per cent of any excess over \$500,000.

It is the policy of the Commission to treat tendered or offered prices in a confidential manner and under no circumstances to disclose a competitor's price to another bidder. The Commission expresses the belief that this practice works in its best interests.

## *Hydro-Electric Power Commission of Ontario*

It is also the expressed policy of the Commission “to buy in Canada to the greatest possible degree consistent with obtaining a satisfactory product at a competitive price and to encourage Canadian manufacturers in meeting its needs. If by reason of price, engineering considerations or lack of manufacturing facilities in Canada, it is necessary to purchase goods made outside of Canada, preference is given to products having the greatest United Kingdom content, all other factors being equal”.

While experience varies considerably from year to year, the recent distribution of purchases among Canadian, United States and United Kingdom sources is weighed by thermal station requirements for coal from the United States and equipment from the United Kingdom. In the 18 months from January, 1957, to June, 1958, total purchases were approximately \$200,000,000 and were distributed amongst suppliers as follows:

Canadian	83.64%
United States	8.59%
United Kingdom	7.44%
Other countries	.33%
	<hr/> 100.00%

*Construction Policies:* The general policy of the Commission in dealing with the construction of new facilities has been set out as follows:

“1. Undertake by its own engineering and construction organization exclusively, that part of the total work which is of a continuing specialized nature or which requires a high degree of liaison with its operating organization.

2. Staff its engineering and construction organization to a suitable level to cope with the mean work load and assign a sufficiently large part of the total work to keep that organization fully occupied—particularly with the types of jobs for which much background experience is available in the present organization, and with the types of jobs which would create an excessive administrative effort if assigned to contractors.

3. Arrange for work to be performed under contract in the following cases:

- when the work load exceeds the capacity of the Commission’s organization.
- when developments are undertaken jointly with other companies or agencies.
- when the work is specialized, requiring special equipment or techniques, and not of a continuing nature.
- when it is not to the Commission’s advantage to undertake the work with its own organization. This case includes construction of office buildings and various sub-contract work placed by the Commission’s Construction Division on jobs assigned thereto.”

Under these policies all planning work is performed by the staff of



## *Organization of Government in Ontario*

the Commission. Also, as most of the several hundred jobs in progress at any one time are of medium or small size, these policies have meant that a large percentage of the total number of jobs is carried out by the engineering and construction departments of the Commission.

### **Property and Taxes**

*The Power Commission Act* authorizes the Commission to acquire land by purchase, lease or in any other manner that is required for the conduct of its operations. The Act establishes powers of expropriation and forceful occupancy for this purpose. Land acquisition is discussed under two headings—Land Required for Transmission and Distribution Purposes, and Land Required for Generating and Transformer Stations and for Other Purposes.

*Land Required for Transmission and Distribution Purposes:* Distribution lines are located as far as practicable on road allowances. Transmission lines are located mainly on private property as the high cost of high voltage transmission lines demands the use of a direct route. Also there is insufficient space available on standard road allowances to provide for the needs of most transmission lines. It has been the practice of the Commission to negotiate easement agreements covering the use of private land in non-urban areas. The Commission now holds some 208,000 such agreements. A standard scale of rates has been adopted for these easements that is subject to revision from time to time in accordance with changing economic values. The scale of rates used to compensate land owners for interference with the normal use of their land is divided into broad categories of land use, viz. arable land, arable lands along fence line, arable bush lands, and unarable rock, swamp and wild lands. Account is taken of the number of lines, and other special factors such as removal of trees, frontage affected, etc.

Land traversed by transmission and distribution lines may be retained in normal use by the owner. Only the area occupied by the poles and towers themselves is occupied in an exclusive sense by the Commission, and easement rates do not reflect the full value of the land over which the lines pass. Once a line is constructed the Commission has little interest in the property that is crossed. Under the terms of the easement it does continue to exercise a limited control over the use of the land to prevent any actions that would be hazardous to the lines or to the owner.

Where agreement cannot be reached with an owner to accept the

## *Hydro-Electric Power Commission of Ontario*

standard scale of compensation, the Commission is empowered by the Act to enter on his lands and proceed with construction. The owner has recourse to the Official Valuator and to the Municipal Board to establish terms of settlement.

In highly populated centres or in areas bordering these centres where potential land development is a factor the normal policy of the Commission is to purchase the land required for transmission lines.

*Land Required for Other Purposes:* Lands required for purposes other than transmitting and distributing power are purchased outright, except where they are acquired as a Crown lease or Licence of Occupation from the Crown. Present holdings, including administration and service buildings, etc. total some 82,500 acres valued at approximately \$82,000,000. The policy followed by the Commission is to acquire these lands by the normal processes of negotiation except that it follows the practice of disclosing its identity when dealing through agents. Commission policy provides that special efforts be made to ensure uniformity of prices paid for comparable parcels of land. Normally expropriation is undertaken only after all reasonable efforts to acquire such land at normal market prices have failed. Such cases are said to be very few in number.

*Taxes:* The Commission is not liable for taxes in the normal manner but *The Power Commission Act* makes provision for the payment of annual grants in lieu of taxes on all lands that are owned by the Commission and on buildings that are used for administration and service purposes and do not form part of the process of production and distribution of power. Under the system of grants now in effect the Commission pays grants on all such lands and buildings that are the equivalent of normal taxes. Also it is liable for and pays full taxes for local improvements.

It is not the policy of the Commission to pay grants in lieu of taxes on land and facilities that are employed in generating power. The Commission expresses the opinion that it would be contrary to the basic principles on which the Commission was founded to pay grants in lieu of taxes on such facilities.

In municipalities in Northern Ontario where the Commission acquired private companies some years ago the grants paid are equivalent to the taxes being paid by those companies at the time of their acquisition.

### **Policy Questions Dealt With by the Commission**

Throughout this memorandum we have reviewed a number of pol-

## *Organization of Government in Ontario*

icy matters that are dealt with by the Commission. These include policy questions relating to personnel matters, including salaries; the determination of rates and rate structures; procurement policies; financing policies; policies relating to the expansion and improvement of facilities; construction policies, policies relating to land acquisition and use, etc. These are all matters that one might expect the Board of Directors of any large corporation to concern themselves with.

A number of policy questions that are dealt with by the Commission require approval by Order-in-Council and in an earlier section of this memorandum, under the heading Statutory Powers of the Commission, a representative list of such items is set out. In addition to the matters that require such approval under the provisions of *The Power Commission Act* other policy questions, by their nature, must be discussed with the Provincial authorities. These include:

- proposed legislation relating to the Commission.
- water rentals payable to the Province by the Commission.
- grants by the Commission in lieu of taxes to those municipalities in which Commission properties are located.
- the rural rate structure.
- rates for mining companies in the Northern Ontario Properties.
- certain aspects of the frequency standardization program.

Examples of some of the more important policy matters that were dealt with by the Commission during 1957 and that were also referred to the Provincial authorities concerned are as follows:

- a decision on the means to be employed for the frequency standardization of rural and municipal loads in the Northeastern Region of the Northern Ontario Properties.
- adoption of the rural construction program.
- a decision on the frequency standardization of the 25-cycle equipment of Quebec utilities supplying power to the Commission under contract. An Order-in-Council was obtained.
- decisions respecting three bond issues totalling \$200,000,000 that were made to the public during the year. Order-in-Council were obtained for these issues.
- a decision to develop the Silver Falls single unit generating station on the Kaministiquia River. An Order-in-Council was obtained.



## *Hydro-Electric Power Commission of Ontario*

- a decision to develop the Lakeview thermal generating station to be located in Toronto Township. An Order-in-Council was obtained.
- a decision to develop the Thunder Bay thermal generating station in the City of Fort William. An Order-in-Council was obtained.
- a decision to divert water from Lake St. Joseph into the English and Winnipeg Rivers by way of the Root River and Lac Seul. An Order-in-Council was obtained.
- a decision to acquire and develop the site for the Hamilton thermal generating station. An Order-in-Council was obtained.
- a proposal to make changes in (a) rural suburban rates and (b) rural density requirements. The proposal was discussed with Provincial authorities, agreed upon and made effective January 1, 1958.
- a proposal to increase the assessment for business tax purposes on Commission properties that are located in municipalities. This Proposal was agreed upon with the Provincial authorities and became effective in 1958.

Many other important policy questions of importance engaged the time of the Commission during 1957. These might be classified under such headings as contract approvals; relations with municipalities; operating and capital budget consideration; purchase power developments, etc.

### **Reports to and Relationships with Provincial Authorities**

*The Power Commission Act* requires the Commission to make an annual report upon its affairs after the close of each fiscal year and to file this report with the Provincial Secretary who submits it to the Lieutenant-Governor in Council. The Provincial Secretary presents the report to the Legislative Assembly if it is in session. If the Assembly is not sitting the report is presented at the ensuing session. The annual report of the Commission is a document providing a detailed and extensive review of the affairs of the Commission and its operations for the preceding year. It includes the financial statements of the Commission as reported upon by its auditors who are appointed by the Government. Also, it supplies information on the operations of the municipal customers of the Commission, including individual statements of their balance sheets and operating reports.

While the annual report of the Commission provides the principal means of presenting detailed information on its activities to the Legislature other less formal arrangements supplement this information.

## *Organization of Government in Ontario*

In recent years members of the Commission have appeared before the Standing Committee of the House on Government Commissions and reviewed important features of its operations. These meetings of the Committee have enabled members of the Legislature to obtain information on activities of the Commission which may be of special interest to them.

During legislative sessions there are questions asked in the Assembly on various aspects of the Commission's activities. In such cases information is prepared by the Commission and forwarded to the Cabinet office for the use of the Government.

Each year, upon request, the Commission provides the Provincial Treasurer and the Deputy Minister of Economics with a variety of information on the activities of the Commission for use in the budget speech of the Provincial Treasurer and in reports of the Prime Minister and other members and officials of the Provincial Government.

In reviewing the relationships that exist between the Commission and the Government it may be said that while the Commission is an independent corporate body and operates as such a close working relationship exists between it and the Government. This relationship is brought about by:

- the direct contact maintained between the Chairman and the Prime Minister.
- the presence of a Cabinet Minister as 2nd Vice-Chairman of the Commission and as a member of the Executive Committee of the Commission.
- the provisions of *The Power Commission Act* that require many acts of the Commission to be approved by Order-in-Council.
- the necessity for the Commission to work closely with the Provincial authorities on many matters which by their nature require Government agreement or approval.
- the presentation to the Legislature of a comprehensive report on the activities of the Commission each year.
- the appearance of members of the Commission before the Standing Committee of the House on Government Commissions.
- less formal arrangements for supplying information to members of the Legislature in answer to their enquiries.

We shall be glad to obtain and submit any further information that you might wish.

Yours very truly,  
J. D. WOODS & GORDON LIMITED

## *Hydro-Electric Power Commission of Ontario*

### **Addendum, September, 1959**

A new position of Deputy General Manager has been established. The Deputy General Manager is responsible for directing nine Regional Managers and the Frequency Standardization Division.

The former position of Assistant General Manager, Administration, has been eliminated and a new position of Assistant General Manager, Administration and Sales, has been created.

A further new position of Director, Sales Promotion, has been established reporting directly to the Assistant General Manager, Administration and Sales.



## 4. Liquor Control Board of Ontario

July 22, 1958.

At the request of the Committee on the Organization of Government in Ontario we have conducted an investigation and prepared a report on the structures and operations of the Liquor Control Board of Ontario (L.C.B.O.). Our findings are recorded in this report.

The following section contains a brief outline of the history and objectives of the L.C.B.O. which provides a useful background to the present organization.

### History and Objectives

The division of responsibility and authority governing the manufacture, distribution and sale of alcoholic beverages in Canada between senior levels of government stems from *The British North America Act*. Broadly, the Federal Government controls the manufacture and importation of liquor whereas the provinces are responsible for distribution and sale. Nevertheless, under the terms of *The Canada Temperance Act*, a Federal statute passed in 1886, any city or county could declare itself "dry" by local option vote and today two counties in Ontario, Huron and Perth, are still governed by this Federal statute.

Prior to 1916 there existed in the Province of Ontario certain licensing laws regulating the sale of alcoholic beverages through stores, taverns and bars. The regulatory authority was known as the Board of Licensing Commissioners. In 1916 *The Ontario Temperance Act*, otherwise known as the Prohibition Statute, was passed curtailing the sale of liquor in Ontario

## *Liquor Control Board of Ontario*

by retail sale. In 1919 government dispensaries were opened to distribute liquor for medicinal purposes.

In 1926 the late Hon. Howard Ferguson received his mandate based on a platform advocating repeal of *The Ontario Temperance Act*. This was done in 1927 by the passage of *The Liquor Control Act* which nevertheless recognized old local option by-laws, thus enabling areas within the Province to remain "dry". The Liquor Control Board was established to warehouse, distribute and regulate all liquor sales in the Province. At this time government retail stores were opened. In 1928 the Brewers' Warehousing Company Limited was set up to distribute beer.

In 1934, through an amendment to *The Liquor Control Act*, beverage rooms were opened for both men and women, permitting the sale of beer by the glass and the consumption of beer and wine with meals. Until 1944 the granting of authorities (today known as licences) to these beverage rooms was regulated by *The Liquor Control Act*. In 1944 a separate act was passed known as *The Liquor Authority Control Act* and concurrently the Liquor Authority Control Board was established to assume responsibility for granting authorities. This Board was composed of three members.

On the 1st January, 1947, *The Liquor Authority Control Act* was repealed and replaced by *The Liquor Licence Act*. At this time the term "licensed premises" was adopted and two new types of licence were established; the lounge licence and the dining lounge licence. The new Board was known as the Liquor Licence Board. This marked the first time since 1916 that spirits could be sold by the glass in Ontario.

All local option voting sections and licensing arrangements were incorporated in the licence Act, while the control Act regulated retail sales for home consumption. These two Acts remain in force today.

As an indication of the present size of the L.C.B.O. it is significant that, during the year ended 31st March, 1957, the total staff numbered 1,855 (including Liquor Licence Board employees), gross revenue was \$68,900,000 of which \$56,100,000 was turned over to the consolidated revenue fund of the Province.

### **Organization**

The staff of the Liquor Control Board at the present time numbers about 1,900. Of these, 1,550 work in retail stores and a large section of the head office staff also serve the Liquor Licence Board which occupies offices in the same building.

## *Organization of Government in Ontario*

*Representation in the Legislature:* The Liquor Control Board of Ontario is represented in the legislature by the Provincial Secretary.

*The Board:* Board members, numbering one, two or three, are appointed for an indefinite term by the Lieutenant-Governor in Council. At present there are two members, the Chief Commissioner, Mr. W. H. Collings, M.P.P., and Mr. W. T. Murchie. Mr. Murchie is also the Chairman of the Planning Committee. The Chief Commissioner's job is regarded as a full-time appointment.

Under the terms of *The Liquor Control Act*, the Board is responsible for regulating and distribution and sale of all forms of liquor in the Province. Specific powers and duties are enumerated in Section 9 of the Act and include:

- buying and selling liquor.
- controlling possession and sale of liquor.
- establishing stores, warehouses, etc.
- granting permits to buy liquor.

Decisions of the Board are final and there is no provision for appeal to higher authority or the courts.

*Staff Advisers to the Board:* There are two staff advisers who report directly to the Board; they are the Board's solicitor and the financial adviser.

The Solicitor, provides the Board with legal opinion. He has certain other duties, including store leases, land purchases, building contracts and giving legal opinions to the Board. He is responsible for processing Orders-in-Council, supervising agreements with municipalities regarding law enforcement and all the various types of licence arrangements. In addition, he has certain miscellaneous duties such as approving advertising copy and the design of all labels.

The solicitor works closely with the Attorney General's Department of the Provincial Government and with the Chief Election Officer concerning local option votes.

*The Comptroller:* The Comptroller is the chief executive officer of the Board. His position can be likened to that of a deputy minister in a department of government. All matters concerning the day-to-day operations of the Board are the responsibility of the Comptroller and the ten department heads report directly to him. There is an assistant comptroller.

*Department Heads:* There are ten department heads who all have offices in the head office of the Board. The largest department is that



## *Liquor Control Board of Ontario*

responsible for supervision of stores, where the normal strength is 1,500-1,600.

Seven of the department heads are over 50 years of age and many of their deputies are nearing retirement.

*Staff:* Employees of the Liquor Control Board are not members of the civil service. However, an effort has been made to keep salaries and conditions of work in line with the practices of the civil service. There is an employees' association which all permanent staff may join and which negotiates with management. When making additions to the staff, preference is given to veterans.

**PROMOTIONS:** The policy of the Board is to promote from within the organization wherever possible. When a new store is opened an effort is made to select the vendor from among the employees and this policy has improved employee morale.

**REDUNDANCY:** It is the policy of the Board not to dismiss employees made redundant due to technological improvements. Where possible transfers are arranged to other departments or to the civil service. Where this is not possible, a job is found for the employee within the organization.

### **Facilities**

The head office of the Board is in a four-storey, \$8,500,000 warehouse and office building at 55 Fleet Street East. The offices are well lighted, spacious with high ceilings, and make extensive use of floor to ceiling partitioning. There is more than ample office space to house the present head office staff. The Board owns or operates some 223 liquor stores throughout the Province. Until 1956 all stores were leased. Since then a \$10½ million building program has been undertaken to acquire or build Board stores and the policy of the Board appears to be now favouring the outright purchase rather than the leasing of retail store outlets. The cost of purchasing or building the stores is written down to \$1 per unit in the year of purchase. Thus, at the end of the 1957 fiscal year, assets costing \$13,400,000 were carried in the accounts at a nominal \$36. The cost of land is included in this write-off.

Brewers' retail stores and the wine retail outlets are operated privately by the breweries and wineries although close control is kept by the Board over the location and operation of these outlets.

## *Organization of Government in Ontario*

In addition to the large central warehouse in Toronto, the Board operates two regional warehouses, one at Ottawa and the other at Fort William.

### **Operations**

This section contains a general description of the operations of the Board with comments on how policy is implemented. Certain examples are given to illustrate the type of decisions made by the Board.

*General:* The manufacture and importation of liquor is controlled by the Federal Government. Hence, the functions of the Liquor Control Board embrace mainly distribution and sale. For convenience, the distribution of spirits, wine and beer are discussed separately below.

Spirits sold in Ontario are shipped from the distiller to three warehouses located in Toronto, Ottawa and Fort William. The warehouses in turn supply the retail stores although shipments are also made, where economical, directly from the distiller to the stores. Retail sales are made only from the stores and licensed premises secure their supplies from a designated store or warehouse. All retail stores and warehouses are operated by the Board.

A permit is required by a retail customer before a purchase of spirits can be made. Permits are bought at any store for \$1 and must be replaced annually. The purpose of permits is to assist in the control of the sale of spirits, particularly to prevent sale to minors.

There are eleven wineries in the Province and 51 retail wine stores are operated by the wineries under the supervision of the Board. These wineries also ship their produce to the Board's warehouses for sale in the Board's retail stores. All imported wines are sold only in L.C.B.O. retail stores and are distributed in the same manner as spirits, although a permit is not required.

The Brewers' Warehousing Company is a non-profit organization owned by the breweries which sell their produce in Ontario. This company is the sole distribution agent for the breweries and its operations are supervised by the Board. The Brewers' Warehousing Company owns and services its own retail outlets. Certain L.C.B.O. retail stores sell beer and these stores are also serviced by the Brewers' Warehousing Company.

Shipments of all three classes of liquor are made by common carrier approved by the Board, or by trucks owned by the Board or the manufacturer.

## *Liquor Control Board of Ontario*

*Implementation of Policy:* The powers and duties of the Liquor Control Board are defined in *The Liquor Control Act*. Manifestly it is the responsibility of the Board to make such decisions and take such action as may be necessary to carry into effect *The Liquor Control Act*. In practice all actions of the Board are executed with the policy of the Government in mind. Certain examples of the kind of policy matters which are dealt with by the Board may be helpful.

- taking steps to prohibit the sale of “near beer” in Ontario. This beverage, when offered for sale, was not classified as beer under the Act.
- regulating the type of advertising which may be used to promote the sale of liquor, including radio, magazine, television, billboard and newspaper advertising.
- the location of L.C.B.O. retail stores.
- the placing of persons on the interdicted list.
- decisions to list and offer for sale a brand of liquor, or not to do so.
- approving requests by breweries for a change in the retail price of beer.

Besides these specific examples many complaints are received by the Board, investigated and ruled upon.

*Planning Committee:* Mr. W. T. Murchie who is a member of the Board is also Chairman of the Planning Committee. Other committee members are Mr. E. A. Leech and Mr. P. Beaton. This Committee deals with requests for retail stores and plans store locations. Such requests usually follow a local option vote approving the establishment of retail outlets.

*Financial Controls:* The capital expenditure program of the Board has been very substantial in recent years and administrative expenses now exceed \$10 million annually. The financial control is not extensive.

There are no capital, departmental or store budgets used by the Board to control administrative or capital expenditures. Although net income for each succeeding year is forecasted and tabled in the House, estimates of administrative and other expenses are not required by the Treasury Board.

Monthly statements showing the details of revenue and expenses for each store and other revenue and expenses are submitted to management at Board level, along with certain percentage calculations enabling a com-



## *Organization of Government in Ontario*

parison of store results to be made. These results are not measured against budgeted results or standards.

Monthly financial statements are issued near the end of the following month and there is a nine-month interval between the Board's year end and the presentation of annual statements in the legislature.

The chartered accounting firm of Dick, Bond, Hetherington and O'Loane, which has audited the affairs of the Board for many years, was recently replaced by the Provincial Auditor.

The Provincial Auditor has a small staff working permanently in the head offices of the Board. All expenditures are checked before payment is made and the audit is very intensive.

### **Relations with Government**

It has already been stated that the Board is represented in the Legislature by the Provincial Secretary. All official business concerning the government is processed through him including:

- the audited annual report of the L.C.B.O. which is tabled in the Legislature.
- inquiries from members of the House.
- changes in the Act.
- orders-in-council, which are required for land purchases, staff appointments and salaries.

It is evident that the most direct liaison with government is through this channel, but there are other agencies or branches of the government which are in contact with the Board. The most important of these are enumerated below with a brief description of the nature of the relationship.

*Committee on Commissions:* This Committee of the Legislature meets from time to time to review the activities of all boards and commissions of the government.

*Treasury Board:* A very close liaison exists with the Treasury Board. Financial estimates of revenue and expenditure are reviewed by the Treasury Board in order to establish selling prices for liquor and to estimate tax revenue. Appropriations for new buildings, land purchases and staff salaries are submitted to the Treasury Board.

*Attorney General:* Consultations are held with the Attorney General's Department regarding prosecutions and law enforcement. There is a section of the Provincial Police under a Staff Inspector, known as the

## *Liquor Control Board of Ontario*

Liquor Control Act Investigations Board, whose responsibility is the enforcement of *The Liquor Control Act*.

Under the terms of *The Liquor Licence Act*, arrangements are made with local municipal police forces to enforce the provisions of both *The Liquor Licence Act* and *The Liquor Control Act*. The municipality receives part of all revenue from prosecutions and a share of taxes collected from licensed establishments.

### **Conclusion**

In carrying out this investigation we have received the wholehearted co-operation of the Liquor Control Board staff. In particular, the meetings arranged by the Chief Commissioner and Comptroller with senior executives of the Board made our task easier and we would like to record our thanks for their help.

URWICK, CURRIE LIMITED

## 5. Liquor Licence Board of Ontario

July 30, 1958

The Committee on the Organization of Government in Ontario asked us to conduct an investigation and prepare a memorandum on the structure and operations of the Liquor Licence Board of Ontario. This has been done and our findings are recorded in this report.

The Liquor Licence Board and the Liquor Control Board share a common head office building at 55 Fleet Street East, Toronto, and the operations of the two Boards are closely related. We have recently submitted a report to the Committee dealing with the Control Board. Much of the information in that report applies equally to the Licence Board and, to avoid unnecessary duplication, it will not be repeated here. In particular, the background history and objectives of the Licence Board are explained in the other report and are only briefly reiterated in the next section.

### History and Objectives

In 1947 *The Liquor Licence Act* was passed in Ontario and remains in force today. It permitted the opening of "licensed premises", under the new categories of lounge licence and dining lounge licence, making it legal to sell liquor by the glass.

The main purpose of *The Liquor Licence Act* is therefore to control the licensing of all types of premises, and hence the sale of liquor, either by an annual licence or through short term permits. Provisions of the law enabling municipalities to conduct local option votes to become "wet" or "dry" are also contained in this Act.



## *Liquor Licence Board of Ontario*

### **Organization**

The organization of the Liquor Licence Board is not clearly defined. There is a three-man Board, a Registrar and two main Departments, the Inspection Department and the Banquet Permit Department. Up to this point the chain of authority is quite clear, but there are also several other miscellaneous groups, not classified as departments, but apparently reporting directly to the Registrar. Our interpretation of this organization is shown in a chart overleaf.

The chart shows the names of the senior employees, together with the complement of each department. The total staff at the present time numbers about 100 and all but thirty-eight resident inspectors are based on Toronto head office.

There are no personnel or accounting departments as these services are provided by the Liquor Control Board staff.

*Representation in the Legislature:* The Liquor Licence Board is represented in the Legislature by the Provincial Secretary.

*The Board:* The Board consists of three members appointed, for an indefinite period, by the Lieutenant-Governor in Council, who also fixes their salaries. The present Board members are Judge W. T. Robb, Chairman, Mr. W. T. Nugent, Vice-Chairman and Mr. J. M. Gilbertson.

The Chairman spends an average of four days per week at his office and performs his duties as a Judge in his remaining time.

*Staff Advisers to the Board:* Colonel C. E. Woodrow is the solicitor and he provides the Board with legal opinion. This is a part-time occupation, the remainder being with the Liquor Control Board.

*The Registrar:* The Registrar acts in the capacity of general manager for the Board's operations. All matters are reported to the Board through him and he is responsible under the Act for receiving applications for licences and for carrying out the Board's instructions for granting, renewing, suspending or revoking licences.

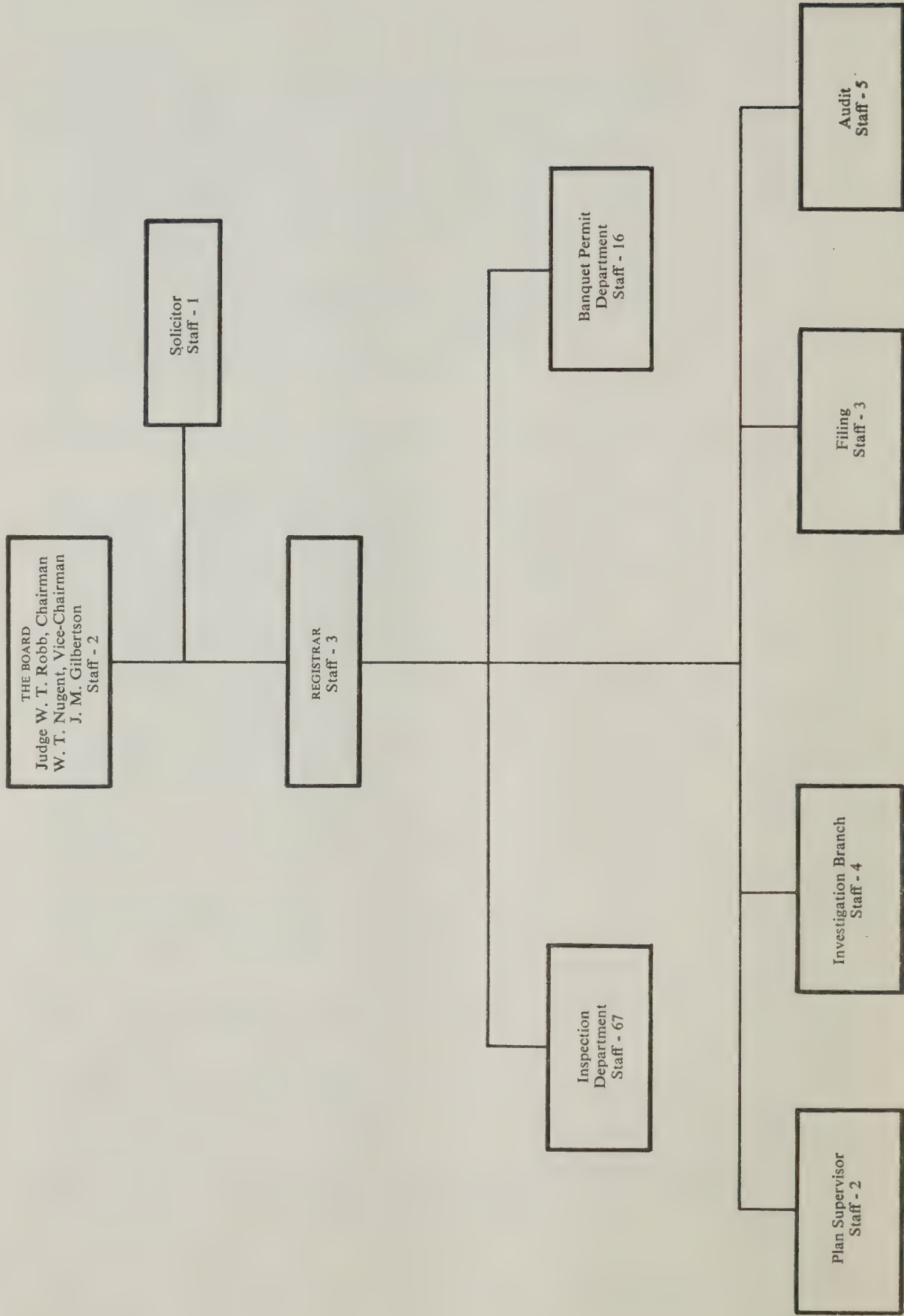
There are deputy registrars in eleven of the licensing districts of the Province.

*Department Heads:* There are two department heads, the Chief Inspector, who has a staff of sixty-seven and the Director of Banquet Permits, with a staff of sixteen.

*Other Groups:* There are certain other miscellaneous groups which are not classified as departments but which report directly to the Registrar. These are:

# LIQUOR LICENCE BOARD OF ONTARIO

Organization Chart - July 30, 1958



## *Liquor Licence Board of Ontario*

Plan supervisor.

Investigation branch.

Filing.

Audit.

*Staff:* Employees of the Liquor Licence Board are not members of the civil service. However, an effort has been made to keep salaries and conditions of work in line with the practices of the civil service. There is an employees' association which all permanent staff may join and which negotiates with management. When making additions to the staff, preference is given to veterans.

The policy of the Board is to promote from within the organization wherever possible. It is also the policy not to dismiss employees made redundant due to technological improvements. Where possible transfers are arranged to other departments or to the civil service. Where this is not possible, a job is found for the employee within the organization.

### **Operations**

This section contains a general description of the methods and procedures used in carrying out the responsibilities of the Board in regard to such things as licensing, inspection and supervision.

*Licences:* The licensing of establishments is one important responsibility of the Board. Two annual trips are made to each of the fourteen licensing districts by the Board members, a minimum of two members constituting a quorum. One trip is devoted to a review of the operations of each establishment to consider licence renewal. The second trip is to deal with applications for new licences. There is a Deputy Registrar in certain of the districts who arranges the necessary local meetings.

The responsibility for issuing, renewing, suspending or cancelling a licence rests entirely with the Liquor Licence Board. There is no right of appeal beyond the Board for any decision made and under the Act officials of the Board may not be compelled to testify in any civil court concerning the business of the Board.

The practice of the present Board has been to cancel a licence only when the holder commits an offence or act that disqualifies him from having a licence for reasons specifically set out in the Act. For example, a licence would be cancelled if the holder were convicted in a court of law for selling liquor to minors. However, the Board has very broad powers and



## *Organization of Government in Ontario*

has the right to cancel any licence for no other reason than that the holder, in the Board's opinion, "is not a fit and proper person".

As of 30th June, 1958, there were 1,996 licences in effect in the Province. The distribution by type of establishment and by area is shown in the following table:

Taverns	177		
Hotels	954	Toronto	318
Public houses	341	Hamilton	102
Social clubs	211	Windsor	92
Veterans' clubs	273	Ottawa	57
Labour clubs	18	London	46
Restaurants	17	Other	1,381
Steamships	3		
Railways	2		
	<hr/> 1,996		<hr/> 1,996

Licences cost \$150 each (except in clubs) but any one establishment may hold more than one type of licence, e.g. lounge licence, public house licence, dining lounge licence, etc. The cost is offset against the gallonage tax levied on all alcohol purchased by the establishment and is therefore, in effect, a minimum fee. Gallonage taxes are set out in the regulations under the Act but are, generally, 10% of the gross value of liquor purchased and a sliding scale for beer expressed in cents per gallon. The Licence Board has no bank accounts of its own. Revenue from licence fees is turned over to the Liquor Control Board while gallonage taxes are assessed and collected by the Control Board directly.

Fees payable upon the transfer of a licence go to the Treasurer of Ontario and are not considered as revenue of either Board. The scale of transfer fees is set out in the regulations under the *Liquor Licence Act*.

*Inspection Department:* The largest Department of the Liquor Licence Board is the Inspection Department, employing sixty-seven men, thirty-eight of whom are district inspectors located outside of Toronto. 21,000 regular visits were made to all licensed premises last year and a monthly report was filed for each establishment. Besides these monthly calls the inspectors drop in from time to time to make spot checks and a total of 49,800 such visits were made in 1957.

Special inspectors from outside the district, who are not known to the licensee, also make periodic unannounced visits to check the operation of licensed premises. 1,800 of these calls were made last year.

## *Liquor Licence Board of Ontario*

The purpose of inspections is to ensure that establishments obey the law with respect to closing hours, service to minors, that premises are clean and orderly, that sanitary facilities are in good repair, that fire regulations are obeyed, etc. Premises not meeting the Board's requirements are obliged to take corrective action or run the risk of losing their licence.

In addition, the Department inspects unlicensed premises when application has been received for banquet permits and a report is made to the Banquet Permit Department so that the application can be dealt with. About 1,000 inspections of this sort are made each year.

A close liaison is maintained with fire departments and the local police departments which are responsible for law enforcement. 1,400 visits were made to other than licensed premises in 1957 (excluding banquet permit inspections). Two sanitary inspectors made 750 calls and one fire inspector completed 450 inspections.

*Banquet Permit Department:* A banquet permit is a permit issued to an individual or organization desiring to hold a non-profitable social gathering at which liquor is to be sold at cost. The permit is for one day only, between specified hours, and the store from which the liquor must be purchased is specified. The gathering may take place in such unlicensed premises as golf clubs, private halls, restaurant banquet rooms, etc.

Requests for banquet permits are processed by a staff of sixteen at the head office and a \$2.00 fee is collected. The Department maintains a list of approved rooms or halls which have been examined by the Inspection Department.

For some years the issuing of banquet permits was taken over by the Liquor Control Board and this task reverted to the Licence Board about one year ago. The rapid rise in the number of permits issued, from less than 10,000 in 1948 to more than 50,000 at the present time, (53,575 in 1957) is causing the Board some concern.

*Miscellaneous:* Other miscellaneous staff of the Liquor Licence Board not belonging to a recognized department and reporting to the Registrar include: plan supervisor, investigations branch, and audit.

**PLAN SUPERVISOR:** A staff of two examine and approve plans for alterations, additions, or new construction of licensed premises.

**INVESTIGATIONS BRANCH:** When an application is received for the transfer of a licence an investigation is conducted of the premises and individuals concerned. This is required to assist in determining the transfer fee and to enable the Board to decide if the individual

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who is to receive the transferred licence is a suitable person to hold a licence.

AUDIT: There is an audit staff of five which:

- checks employee attendance records.
- maintains records of licences issued.
- maintains financial reports received from licensed premises.
- keeps other statistics.

To summarize this section, the operations of the Liquor Licence Board principally involve licensing and inspection. Close contact is maintained with the Liquor Control Board as many areas of activity involve both Boards. However, the Licence Board is an autonomous body, regulated by a separate Act, and the Board establishes its own policy.

### **Implementation of Policy**

It is evidently the duty of the Board to make such decisions and take such action as may be necessary to carry into effect the Liquor Licence Act. In so doing the resolutions of the Board will reflect Government policy. Some examples of the kind of policy matters which are dealt with by the Board may be helpful:

- the Board decides how frequently banquet permits will be issued to particular groups. For example, unlicensed legions can get one permit per week for beer only.
- the Board decides whether or not banquet permits will be issued in “dry” areas. At the present time the policy is to issue such permits for weddings only.
- the Board has the power to decide whether an individual is a “fit and proper person” to hold a licence. It is the policy of the Board to establish a yard-stick of those qualifications required of an individual before a licence will be granted. The Board also decides what will constitute adequate grounds for revoking a licence.
- prior to 1949 lounge licences, permitting the sale of spirits, were issued to taverns. In that year the Premier announced that it would be the policy of the Government to issue lounge licences only to bona fide hotels. This policy has been followed by the Board.
- prior to 1949 all types of licences were issued in the northern unor-



## *Liquor Licence Board of Ontario*

ganized areas of the Province. Government policy, adopted in 1949, was to discontinue this practice and the Board complied.

In the next section the nature and extent of liaison with government departments is reviewed.

### **Relations with Government**

It has already been stated that the Board is represented in the Legislature by the Provincial Secretary. All official reports or other business concerning the Legislature are processed through him including:

- the audited annual report of the Board which is tabled in the Legislature.
- inquiries from members of the House.
- changes in the Act.

Periodic reports are also made as requested to the Committee on Commissions which meets from time to time to review the activities of all boards, commissions and departments of government.

### **Conclusion**

In conclusion, we would like to take this opportunity to thank Judge Robb and members of the Liquor Licence Board staff for their assistance during our investigation. Without their co-operation our task could not have been as pleasant and we have benefited from their many helpful comments.

URWICK, CURRIE LIMITED

## 6. Milk Industry Board of Ontario

Mr. W. L. Gordon, F.C.A., Chairman,  
Committee on the Organization of  
Government in Ontario,  
Toronto, Ontario.

October 14, 1958.

Dear Sir:

We are pleased to submit herewith our report covering the organization, functions and responsibilities of the Milk Industry Board of Ontario. This report covers a review carried out in accordance with your letter of July 23, 1958, addressed to His Honour Judge A. B. Currey, Chairman, the Milk Industry Board of Ontario.

The Board was formed to administer *The Milk Industry Act* and consists of three members including two persons closely associated with the milk industry. The purpose of *The Milk Industry Act* is to provide for the control and regulation, in any or all respects, of the marketing within Ontario of milk, or of cream, or of any class of milk or cream, marketed for the purpose of being manufactured into a milk product, or of cheese, including the prohibition of such marketing in whole or in part.

The Board also assists producers, engaged in the production of milk or cream, or milk or cream to be manufactured into a milk product or cheese in Ontario, to establish marketing plans by investigating the need and purpose of the plan, by arranging plebiscites of producers and recommending plans for approval, where the required percentage of vote is obtained, by the Lieutenant-Governor in Council. At present there are three such plans in force; namely, The Ontario Cream Producers' Marketing-for-Processing Plan, The Ontario Concentrated Milk Producers' Marketing-for-Processing Plan and The Ontario Cheese Producers' Marketing Plan. Section 6 of the Act sets out in detail the manner in which such plans may be approved.

The results of our findings are set out in more detail in the attached memorandum prepared in accordance with the standard questionnaire.

## *Milk Industry Board of Ontario*

This should be read in conjunction with the following exhibits supplied by the Chairman of the Board and given to your office.

Copy of *The Milk Industry Act*, Chapter 70, R.S.O. 1957.

Report of the Dairy Branch for the year ended March 31, 1958.

Regulations made under the Act.

The Ontario Cheese Producers' Marketing Plan.

The Ontario Cream Producers' Marketing-for-Processing Plan.

The Ontario Concentrated Milk Producers' Marketing-for-Processing Plan.

We wish to acknowledge the cooperation of Mr. E. M. Biggs, Dairy Commissioner of the Department of Agriculture, Ontario.

Yours very truly,  
PRICE WATERHOUSE & CO.

Members of the Board:

His Honour Judge A. B. Currey, Chairman.

F. Jones—Director and Past President of the Borden Company of Canada Ltd.

E. Kitchen—Dairy farmer, Woodstock, Ontario; Secretary-Manager of the Dairy Farmers of Canada.

A. P. Clark is Secretary to the Board.

The Board has no staff of its own. Administrative and field work is carried out by the staff of the Dairy Branch of the Department of Agriculture.

The establishment of the Milk Industry Board is outlined in a historical sketch pertaining to Government control of the fluid milk industry prepared by Mr. E. M. Biggs, Dairy Branch Commissioner, which reads as follows:

“During the depression years of the early thirties any semblance of stable producer and consumer milk price structure disappeared as a result of depressed economic conditions. The position of the producer and distributor became intolerable because of the drastic reductions in milk prices. With the sharp decline in producer prices the producer interests in the Province appealed to the Government for assistance. The need for corrective measures was pressing from the consumer standpoint as well as that of the producer and distributor in order to ensure a safe milk supply for the consumer.

The Government, at the 1934 session of the Legislature, passed an Act to regulate the fluid milk industry. A Board to administer the Act was appointed. The Board has endeavoured to bring about orderly marketing of fluid milk to the end that milk producers would receive a fair price for milk produced under



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ideal sanitary conditions and consistent with a fair price to the consumer. The original Legislation in the main gave power of inquiry to the Board and made it possible for producers and distributors to meet to arrange milk prices. Early amendments clothed the Board with wider powers, among which was included the approval of agreements between producers and distributors on producer and consumer prices. Trade practices were also regulated under the powers given in early amendments to the Act.

A number of difficulties were encountered in regulating consumer prices and trade practices and amendments to the Legislation in recent years tended towards withdrawal of restrictions on trade practices and the regulation of prices charged to the consumers. However, the provisions in the Legislation in respect to regulating prices to consumers have been retained but in recent years it has not been found necessary to prescribe maximum prices, and prices at the consumer level are on a competitive basis although minimum producer prices are regulated. Under the Legislation there has been a gradual strengthening of the producers' position largely through the collective bargaining powers granted producers to negotiate with distributors on prices and terms and conditions relating to the sale of milk. In this connection *The Milk Industry Act, 1957*, gave powers to the Board to name a Producer Association to represent fluid milk producers for the purpose of collective bargaining, and pursuant to this power the Board named the Ontario Whole Milk Producers' League. The League has approximately 140 local milk producer associations affiliated with it and is currently organizing associations in a number of smaller places where fluid milk is purchased from producers by distributors for resale to consumers. The milk distributors are organized under an Association known as the Ontario Milk Distributors Association. The Board has regarded this Association as representative of the milk distributors."

To illustrate the scope of the Board's authorities, the following two definitions are quoted from the Act:

" 'Milk product' means cream, butter, cheese, cottage cheese, condensed milk, milk powder, dry milk, ice cream, ice cream mix, casein, malted milk, sherbet and such products as are designated milk products in the regulations. 'Marketing' means buying, selling and offering for sale and includes advertising, assembling, financing, packing and shipping for sale or storage, and transporting in any manner by any person, and 'market' and 'marketed' have corresponding meanings."

*Personnel and Officers:* All members of the Board are appointed by the Lieutenant-Governor in Council on the recommendation of the Minister of Agriculture. None of the members is a civil servant. They are entitled to receive such allowances and expenses as the Lieutenant-Governor in Council may determine. At present, the Chairman receives a salary plus expenses and the other two members receive a per diem allowance plus expenses for meetings attended. The Board meets regularly once a month for two days at a time.

## *Milk Industry Board of Ontario*

The administrative and investigatory work of the Board is carried out by the administrative and field staff of the Dairy Branch of the Department of Agriculture. This staff reports through two Dairy Branch directors who respond to the Commissioner. Dairy Branch field men are authorized under Section 9 of *The Milk Industry Act* to carry out inspections of books, records and premises of producers on behalf of the Board.

The operation of the Board is considered to be an integral part of the Dairy Branch of the Department of Agriculture. It has no direct appropriation and estimates to cover the expenses of the operation of the Board are included in those of the Dairy Branch. For the 1958-59 fiscal year, the estimate for allowances to members of the Board is \$2,700. The salary of the Chairman is included in the estimates of salaries of the Dairy Branch.

*Functions and Responsibilities:* The Board appears to have broad statutory authorities. These are set out clearly in Section 5 of the Act. The chief functions of the Board have to do with the administration of that part of *The Milk Industry Act, 1957*, which deals with the production and marketing of fluid milk and milk products, and the arbitration of disputes arising between producers and processors or distributors. Under the Act provision is made for collective bargaining between producers and distributors and producers and transporters with respect to conditions of sale for milk and cream. Prices of fluid milk to be paid to the producer are determined by negotiations between the producers and the distributors or between the producers and the transporters. One of the matters in which there can be agreement or arbitration is the supply of fluid milk on a quota basis established by a quota committee, and rulings may be made by the Board in respect of the quotas or the taking on of new producers by a distributor. Agreements made by the process of collective bargaining are filed with the Milk Industry Board and the Board is responsible for their enforcement. Where an agreement cannot be reached by collective bargaining the Board has the power of arbitration and the making of awards. In respect of milk that is used for distribution to the public, the Board has wide powers for the regulation and control of the milk which is known as fluid milk, including the licensing of transporters, distributors, etc. The Board may refuse licences where the applicant is not qualified by experience, equipment or financial responsibility to properly conduct the business. There is no appeal from decisions of the Board in matters of licensing except to the Courts.

The Board also receives requests from producers seeking approval of marketing plans for milk or manufactured milk products. It considers



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such plans and, upon petition of at least 10 per cent of all producers affected by a plan, arranges for a vote to be taken of the producers affected and establishes that the required percentage of favourable vote has been obtained before recommending the approval of the plan to the Lieutenant-Governor in Council. It exercises general supervision over the operation of any plan to ensure that its purpose or the powers delegated to a local producer board administering the plan are not exceeded.

The Board regulates minimum production standards for farms and the quality of milk and cream that may be sold in Ontario.

The Board may be said to be both regulatory and quasi-judicial. Sections 5 and 7 of the Act establish its regulatory powers covering such things as licensing of persons engaging in producing, marketing or processing of a regulated product; prohibiting persons from so engaging unless licensed; power to settle disputes; power to investigate the cost of producing, distributing or transporting, etc.

*Operations:* The Board acts upon matters brought before it by persons engaged in producing, processing, distributing or transporting fluid milk or any regulated product or between any two classes of such persons. The Board also investigates matters brought to its attention by the field men and staff of the Dairy Branch regarding the books, records and premises of persons engaged in producing or marketing of fluid milk, fluid milk products or regulated products.

The operations of the Board are reported upon through the annual report of the Board to the Minister of Agriculture for inclusion in the Minister's annual report tabled in the Legislature. The operations of the Farm Products Marketing Board of the Province of Ontario are similar to the operations of this Board except that the Milk Industry Board is more active in investigational and supervisory fields through the Dairy Branch staff and as well acts as an arbitrator in disputes. Liaison is also carried out with the Department of Agriculture, Ottawa.

Policy matters are referred to the Minister of Agriculture through the usual channels available to the Department of Agriculture.

### **Addendum, September, 1959**

Legislation was enacted in 1959 to bring the marketing powers and operations of the Board in line with those of the Farm Products Marketing Board.



## 7. Ontario Food Terminal Board

Mr. W. L. Gordon, F.C.A., Chairman,  
Committee on the Organization of  
Government in Ontario,  
Toronto, Ontario.

July 14, 1958.

Dear Sir:

We are pleased to submit herewith our report covering the organization, functions and responsibilities of the Ontario Food Terminal Board. This report covers a review carried out in accordance with your letter of June 19, 1958, addressed to Mr. G. F. Perkin, Chairman, Ontario Food Terminal Board.

The Ontario Food Terminal Board operates the Ontario Food Terminal which was built by the Board in 1952 to provide a modern distribution centre for wholesale fruit and produce. The Terminal is designed to serve the Ontario fruit and vegetable growers, the wholesalers of such produce and indirectly the consuming public.

The Food Terminal is located in the west end of Toronto at the corner of The Queensway and Parklawn Road, adjacent to the Canadian National Railway tracks; thus it occupies a strategic position near the chief rail and road arteries leading into Toronto. The Terminal presently covers an area of 32 acres on which is located a food terminal building in which space is leased to wholesale produce merchants, a modern cold storage plant, and a large open area in which space is leased to farmers bringing produce in from the surrounding countryside. Also located on the property are a heating plant, a service station, owned by Imperial Oil Limited for which land is leased from the Food Terminal, and an area of team tracks of the C.N.R.

The thirty-six wholesale produce firms renting storage, processing and dock space in the Terminal moved there from a congested commercial

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district in downtown Toronto. The space available for these wholesalers is occupied 100% and has been since the start of the Terminal. Through these facilities are handled produce from Ontario growers, particularly in the summer and fall months and imported produce from the United States. This latter includes a vast amount of citrus and other fruits consumed in Ontario.

The Ontario Food Terminal or the need for such a terminal is not a new idea. It dates back to the early years of this century. A strong attempt was made in the 1930's by the Ontario Minister of Agriculture to bring into being a new market but it was not until 1945 that a committee was formed representing the growers, the wholesalers, the railroads and the Government Departments of Agriculture to inquire into and report on the problem of constructing a wholesale fruit and produce market. The efforts of this committee resulted in the purchase in 1946 of the present site in the west end of Toronto. This committee was disbanded in 1953 and the Ontario Food Terminal Board constituted under *The Ontario Food Terminal Act*.

The Board decided to incorporate a modern cold storage plant as part of its overall Terminal facilities. The warehouse is a public warehouse and about one-third of the space is used by food processors and others who do not rent space in the Terminal. The lessees in the Terminal have cold storage space in their basements and thus require the cold storage warehouse for capacity in excess of their individual facilities. The warehouse is not always fully occupied; however, the representatives of the Ontario Food Terminal Board feel that the warehouse does much to aid in the overall objective of providing modern, sanitary and efficient facilities for the handling of produce.

The results of our review are set out in more detail in the attached memorandum. This memorandum should be read in conjunction with the following exhibits supplied by the Chairman of the Ontario Food Terminal Board:

Copies of the Board's Annual Reports for the years 1955, 1956 and 1957.

Copy of *The Ontario Food Terminal Act*, R.S.O. 1950.

Copy of the regulations made by the Board under *The Ontario Food Terminal Act*.

Copy of the warehouse lease used for contracts with wholesale tenants.

## *Ontario Food Terminal Board*

Copy of the tariff applicable to the cold storage warehouse.

In addition to these exhibits the Board has supplied us with copies of the Provincial Auditor's Financial Reports for the years 1956, 1957 and 1958, and with a copy of the current salary and wage schedule. The reports and wage schedule have been returned to the Board.

Our information concerning the objectives and operations of the Ontario Food Terminal was obtained from Mr. G. F. Perkin, Chairman, and from Mr. George H. Reynolds, General Manager, of the Ontario Food Terminal. We visited the Terminal Building and the other facilities on The Queensway and were impressed with the apparent efficiency and good housekeeping of the whole undertaking.

According to the provisions of *The Ontario Food Terminal Act* the Board is empowered to make capital expenditures and to borrow money without reference to the Lieutenant-Governor in Council. In actual practice we understand that the Board does obtain the approval of the Lieutenant-Governor in Council in such cases. Without wishing to suggest any restriction on the day-to-day operation of the Food Terminal, consideration might be given to making it obligatory under the Act for the Board to seek approval before making major capital expenditures and before borrowing money for such purposes.

We wish to acknowledge the kind co-operation of Mr. Perkin and other members of the Ontario Food Terminal throughout our survey.

Yours very truly,  
PRICE WATERHOUSE & CO.

### *Members of Board:*

Geo. C. Anspach—Geo. C. Anspach & Company Limited (a wholesale fruit and produce company), Ontario Food Terminal.

V. J. Lamantia—Federal Distributors Limited, Ontario Food Terminal.

W. C. Nickerson—Fruit grower, Niagara Street, St. Catharines. Director, Ontario Fruit and Vegetable Growers Association.

G. F. Perkin, Chairman—Commissioner of Marketing, Province of Ontario.

J. E. Reynolds—Vegetable grower, Leamington. Director, Ontario Fruit and Vegetable Growers Association.

M. M. Robinson—Vegetable grower, Burlington. Secretary-Manager, Ontario Fruit and Vegetable Growers Association.



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R. D. Wolfe—Director, Ontario Produce Company. President, Independent Grocers Alliance (IGA), Ontario Food Terminal.

Mr. Geo. H. Reynolds is General Manager and Secretary-Treasurer and The Honourable Chas. P. McTague, Q.C., is General Counsel. The Terminal has a staff of 28.

A Toronto Terminal Market Committee was appointed at the instigation of the Ontario Minister of Agriculture in 1945. The site for a food terminal was purchased in 1946 and construction was started in 1952.

See "History of the Enterprise" on Page 6 of the 1955 Annual Report for a history of the circumstances surrounding the establishment of the Terminal.

The Board consists of seven members including a Chairman (and Vice-Chairman, if any), appointed by the Lieutenant-Governor in Council. In practice there has been equal representation of growers and wholesalers with an independent Chairman.

The Board appoints the manager of the Terminal, and other officers, subject to the approval of the Lieutenant-Governor in Council.

Board members, except the Chairman, receive a per diem allowance for meetings. No salaries are paid to the Board. The only member of the Civil Service is Mr. G. F. Perkin, Chairman, an officer in the Department of Agriculture.

The staff is recruited, as needed, by the General Manager. Salaries are recommended by him and approved by the Board.

The Board obtains its revenue from renting facilities in the Food Terminal Building to tenants. The basic units comprise a store, loading platforms and a basement, all of a standard size. "A" units rent for \$350 a month and "B" units for \$225 a month. These rents do not include light, water or taxes. In addition, there are a number of office suites on the second storey which are rented for \$2.50 per square foot per annum to wholesalers as well as to other tenants such as food brokers, banks, telegraph companies, etc. The Food Terminal also includes a cold storage warehouse for which charges are made according to a tariff established by the Board, and an open-area Farmer's Market in which space is leased by the day, month or year to producers.

The Board has the power under the Act to use the money received from rentals for the operation of its undertaking. Specifically, monies are to be used for (a) operating expenses, (b) payment of interest on indebtedness, and (c) payment into a sinking fund established by the Treasurer of

## Ontario Food Terminal Board

Ontario for repayment of securities. Any surplus monies remaining in any year are to be used to reduce the cost of operating the Terminal, reducing the fees, rents or other charges made by the Board or the setting up of reserve funds. At the end of the year, March 31, 1958, the Board had accumulated a surplus of \$33,778.

The books and accounts of the Board are audited by the Provincial Auditor.

The Board does not submit a budget or other estimates to the Province but does prepare a budget for its own management and control. The Board acts autonomously as a separate and independent body responsible for its own affairs under the provisions of *The Ontario Food Terminal Act*.

During the year ended March 31, 1958, the Ontario Food Terminal Board had a net profit of \$13,071. This was made up as follows:

Produce Warehouse	\$ 8,496	Profit
Farmer's Market	2,998	Profit
Other facilities (parking, jobbers' stalls, etc.)	11,656	Profit
Cold Storage	2,968	Loss
Offices	7,111	Loss

*Functions and Responsibilities:* The Board has those authorities established under *The Ontario Food Terminal Act* with which are associated the rules made by the Board under the Act. In 1958 these rules were designated as regulations under the provisions of *The Regulations Act*.

The chief purpose of the Board is to acquire, construct, equip and operate a wholesale food and produce market in the County of York and to acquire and operate such facilities for the transportation and handling of food and produce as may be necessary for the purposes of the Terminal. Thus the authorities appear to be those of an administrative nature only.

There is a proviso in the Act under Section 12 that "no person shall establish or operate within the City of Toronto or the Counties of York or Peel any market for the sale by wholesale of fruit and vegetables except with the approval of the Board, but this section shall not apply to any such market which was being regularly and continuously operated as of the first day of April, 1955, so long as it is not extended or enlarged". This section gives the Ontario Food Terminal Board exclusive rights to operate such terminals from now on but does not appear to give it any regulatory or other powers over such other terminals as may now exist.

The Board is permitted to borrow money and to issue securities for



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the purpose of carrying out any of its objectives and to make the securities payable as to principal and interest at such time or times and in such manner and at such place or places as the Board may determine. Section 6 states that the Lieutenant-Governor in Council may authorize the Treasurer of Ontario, for and on behalf of Ontario, to guarantee the payment of any securities issued by the Board, the repayment of any advances made by banks to the Board and the payment of any other indebtedness incurred by the Board.

The Board has power to rent space in the Terminal to such persons and upon such terms as to the Board may seem proper and may make such arrangement and enter into such agreement with any such person as it may deem advisable in the circumstances.

According to the provisions of the Act it appears that the Board is not required to obtain the approval of the Lieutenant-Governor in Council to borrow money or to undertake major expansion of construction programs. However, in practice, the Board does obtain such approval.

The Board does not appear to have any judicial or quasi-judicial functions. If a tenant or would-be tenant feels that the Board has dealt unfairly with him there is a provision of the Act that the Board may be sued and may institute or defend proceedings in any court.

The standard form of lease provides for arbitration in the event of disputes between tenants and the Food Terminal. In addition, there is, presumably, the usual appeal of any citizen of Ontario through elected representatives or through government departments.

*Operations:* The Board meets as often as is required, having met six times in the year 1956, seven times in the year 1957 and five times to date in 1958. The Board deals with those matters of a policy or administrative nature that are brought before it. It would appear that the Board is fully conversant with the operations of the Terminal and is prepared to consider and rule on all matters concerning its present and future business.

The Board prepares an annual report addressed by the Chairman to the Minister of Agriculture. This report contains an unaudited balance sheet and a statement of operations plus a directory of lessees and a brief report on the year's operations. Inasmuch as Mr. G. F. Perkin, Chairman, is an officer of the Department of Agriculture, there is in effect continual liaison with a government department.

The Provincial Auditor prepares an annual audited statement which is tabled in the House and is available to the Ministers of the government.



## *Ontario Food Terminal Board*

The printed annual report prepared by the Board is distributed to tenants and other interested persons.

The published report of the Board for the year ended March 31, 1957, has been compared with the audited statements prepared by the Provincial Auditor.

### **Addendum, September, 1959**

The membership of the Board has been placed on a three-year revolving basis from November 1, 1958.

The present composition of the Board is as follows:

Thos. B. Jones, Jos. J. McCarthy, G. F. Perkin (Term Expires 1961)

M. M. Robinson, R. D. Wolfe (Term Expires 1960)

Geo. C. Anspach, W. C. Nickerson (Term Expires 1959)

## 8. Ontario Fuel Board

August 27, 1958.

At the request of the Committee on the Organization of the Government in Ontario, we conducted an investigation and have prepared this report covering the structure and operations of the Ontario Fuel Board. The results of our investigation are recorded in this report.

### History and Objectives

The Ontario Fuel Board was established by *The Ontario Fuel Board Act* in 1954. This Act repealed *The Natural Gas Conservation Act*, *The Well Drillers' Act* and *The Fuel Supply Act* and transferred the functions of the Natural Gas Commissioner, the Natural Gas Referee and the Fuel Controller to the Ontario Fuel Board. A consolidation of responsibilities was deemed necessary at this time to enable the Province to keep pace with the anticipated expansion and growth of the natural gas industry in Ontario, resulting from the importation of large volumes of natural gas from the United States and western Canada. A forecast of the estimated annual consumption of natural gas in Ontario from 1958 to 1988 shows an anticipated 400% increase in natural gas consumption by 1963 (from 53,019 to 226,749 millions of cubic feet) and a 1,500% increase by 1988 (to 768,355 millions of cubic feet).

To control the production and distribution of natural gas and other fuels the Board has been given broad responsibilities under three separate Acts, *The Ontario Fuel Board Act, 1954*, mentioned previously, *The Pipe Lines Act, 1958*, and *The Municipal Franchises Act*. Briefly the functions of the Board under the three Acts are as follows:

*The Ontario Fuel Board Act, 1954*: Under this Act and its amending Acts of 1955, 1956, 1957 and 1958, the Board may issue orders regulating

and controlling the location, drilling and abandonment of oil and gas wells. It may also issue orders governing the production, storage, distribution, sale and use of natural gas. These orders may be appealed to the Court of Appeal on questions of law only. The Board may also make orders fixing rates to be charged for the sale of natural gas to the ultimate consumer. Board orders on rates may be appealed to the Court of Appeal on any question whatever.

Subject to the approval of the Lieutenant-Governor in Council the Board may issue regulations covering:

- the construction, installation, removal or acquisition of works, pipe lines, machinery for the production, storage, transmission, distribution or measurement of natural gas.
- the sale, installation or use of coal-burning equipment, gas or fuel-oil appliances.
- the installation or use of high-pressure vessels for liquefied petroleum gas which are connected with gas appliances.
- the designation of areas as natural gas storage area.
- the conservation of natural gas and oil.
- the issuance of licences and permits for contractors and dealers in oil appliances and gas-fired appliances, persons acquiring oil and gas leases, space heating appliances, industrial use of gas, and drilling rigs.

*The Pipe Lines Act, 1958:* On application, and following a public hearing before the Board, the Board may issue an order granting leave to construct pipe lines for the transmission of gas or oil. Should it be necessary, a corporation which has been granted leave to construct a pipe line may be authorized by the Board to expropriate lands for this purpose. Authority for a company to expropriate lands can only be granted on application of the corporation to the Board and following a hearing of all interested parties.

Leave may also be granted by the Board to construct a pipe line across highways, utility lines, etc. Compensation for expropriated lands or crossing privileges is determined in disputed cases by a Board of Arbitration appointed by the Minister of Mines.

*The Municipal Franchises Act:* Under this Act no municipal by-law granting a franchise for the distribution of natural gas may be submitted to



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the electors for their assent unless the terms and conditions of the by-law has been approved by the Fuel Board.

The Board, under this Act, is responsible for issuing certificates of public convenience and necessity for the establishment of gas distribution systems in municipalities. Whether or not a distributing company has been granted a franchise, it cannot operate within any territory unless it has been granted this certificate of public convenience and necessity.

### **Organization**

Under *The Ontario Fuel Board Act, 1954*, the Ontario Fuel Board proper consists of not less than three and not more than five Commissioners appointed by the Lieutenant-Governor in Council. One of these Commissioners is designated Chairman and another Vice-Chairman. The term of office and status of the work (i.e. whether full or part-time) is not set out in the Act. At the present time there are two full-time Commissioners, the Chairman, Mr. A. R. Crozier and a Commissioner, Mr. J. J. Wingfelder. The Vice-Chairman and the remaining two Commissioners are on a part-time basis.

Beneath the Board is a staff of 25 persons, 16 of whom are employed on well and fuel services inspections. All salaried staff of the Board come under the civil service. The collection of revenue and payment of expenditures is done by the Board's accounting staff.

### **Functions**

*The Board:* The two full-time Board members, Mr. Crozier and Mr. Wingfelder fulfill active executive roles in the administration of the Board's activities. At the present time, while the heavy construction stage of the introduction of natural gas is underway, almost all of their time is spent on work incidental to the public and private hearings on the granting of certificates of convenience and necessity, granting leave to expropriate lands for pipe line construction, approving terms and conditions of municipal franchise by-laws and the other hearings required under the three Acts. Relatively few of the Board's hearings have been rate cases as most natural gas rates were inherited from the decisions of the Natural Gas Referee prior to 1954. However, it is anticipated that in the near future the Board will become more and more involved in approving the setting and changing of rates. As pipe lines are completed and franchises become filled, hearings

on these matters will greatly diminish in number and be replaced by rate hearings.

The three part-time Board members attend hearings and Board meetings and serve as advisors or consultants on regulations and legal matters.

*Inspectors:* The inspection staff of sixteen persons travels throughout the Province inspecting literally all operations of the fuel supply system from the drilling of wells to the installation of appliances in the consumer's home. Because this work requires a high degree of technical knowledge, the Board requires each inspector to have had at least ten years of experience before joining the Board. The two Chief Inspectors are university graduates.

The three field services inspectors, under a Chief Inspector, are responsible for determining whether or not operators in the fuel supply industry have taken out proper licences and for checking on the location of wells and reporting on these to the Board. They are also responsible for taking samples and cuttings of well production, for inspection and advising the Board on the closing or flooding of wells, for reporting on pipe line construction progress and for the collection of logs and statistics on footage drilled and the production of wells and service lines.

The eleven fuel services inspectors under a Chief Inspector are responsible for checking on dealers and heating contractors who install appliances to ascertain their proper licensing and to inspect on a spot check basis the piping, controls and appliances in houses and to follow up complaints and investigate explosions. This function is designed to check on the utility companies inspection system and to ascertain that the code of standards acceptable to the Board is being complied with.

*Office Staff:* The office staff consists of the Board Secretary, a statistician, a draftsman, and six clerical personnel. Their function is to handle the administrative details of the Board's operation including the compilation and recording of data gathered by the inspectors in the field and reported by the companies, the collection of the various licence, registration, hearing and other fees, and accounting for the expenditures of the Board.

## Operations

*Financial:* The total salaries, travelling and maintenance expenses of the Board are expected to cost \$193,000 during the current 1958-59 fiscal year. Against this the Board expects to receive some \$148,000 in revenue

## *Organization of Government in Ontario*

from its registration, licence, meter and hearing fees. These figures are contained in the current annual forecast that the Ontario Fuel Board prepares for the Department of Mines.

*Rate Setting:* One of the most important functions of the Board is the determination and control of rates to be charged by natural gas utilities to the ultimate consumer. Statutory authority for this responsibility is given in Sections 15 and 16 of *The Ontario Fuel Board Act*, a copy of which accompanies this report.

The basis on which the Board fixes rates is designed to yield the utility a reasonable return on its capital investment. Ideally, this reasonable rate of return takes into account currently prevailing returns on capital both inside and outside the natural gas industry as applied to a calculation of the applicant company's invested capital. Ideally too, a continuous audit is made on the results of the utility's operations so that rate adjustments may be periodically made to allow for the effect of changing economic conditions and changing methods of operating on the allowed reasonable return. The rate of return currently in use by the Board is 7%.

Because the problems involved in establishing a rate that will yield a fair rate of return to a utility company are clearly very complex and involve at regular intervals intensive studies of an accounting nature, the Board has engaged a firm of Chartered Accountants, Ormsby & Ormsby, to conduct these studies in preparation for rate hearings and to advise the Board on other rate setting policy matters from time to time. In preparation for the anticipated early increase in the number of rate cases that the Board must decide, this firm has made an investigation of the rate setting policies of other regulatory bodies in three comparable American states. Their report on rate setting procedures accompanies this report to the Committee. As one result of this report it is the Board's intention to engage Ormsby & Ormsby to conduct periodic examinations of the books and statements of the various utilities whose rates are controlled by the Board.

## **Relationship with the Government**

The Fuel Board works very closely with a representing Cabinet Minister for direction as to Government policy. When the Board was first established in 1954 it was assigned to the Honourable Dana Porter, Q.C. then Attorney General, for representation in the Cabinet. Later, when Mr. Porter was made Provincial Treasurer, the Board too was transferred to



remain with him. On Mr. Porter's retirement this year the Board was transferred to the Minister of Mines who represents it today.

In addition to its close relationship with the Minister of Mines, the Board comes in frequent contact with governments at both the municipal and federal levels. Matters concerning municipal corporations basically concern the terms and conditions of franchises; approval of which must be obtained from the Board under the terms of *The Municipal Franchise Act*. Contact with Federal authorities generally concerns the Trans-Canada Pipe Line and the lines leading from the main line. As there is not as yet a clear definition of where the authority of the Federal government ends and the Provincial government begins concerning inter-provincial lines and the distribution outlets attached thereto, certain problems have recently arisen that have required the Board to be represented to the governing Federal authorities through the Provincial cabinet.

As the Board is in almost daily contact with the Minister of Mines there is not the same formal report to the Legislature that would be the case for a Board less closely associated with a government department. The estimates of the Board's revenues and expenditures are submitted to the legislature as part of the Department of Mines estimates. An annual report of a more or less technical nature concerning production and location of individual wells and the over-all Provincial fuel picture is presented, however, as much of the information in the report concerning drilling operations is of a confidential nature, this report's publication is held back almost one year. The Board's annual report is submitted to the Legislature as a continuation of the annual report of the Department of Mines.

## **Conclusion**

The Ontario Fuel Board, though small in size, is charged with very broad and onerous responsibilities. Under its Chairman, Mr. A. R. Crozier, a geologist by training, the Board appears to be carrying out its duties in an efficient and businesslike manner and is acting entirely within the terms of the three authorizing Acts.

In this respect we have presented an outline of what these statutory powers and responsibilities are and have described briefly the methods and procedures used by the Board in carrying them out. We have also described the organization structure of the Board and have given examples of the kind of matters referred by the Board to the Minister or the Cabinet for direction as to government policy. Should there be any additional inform-

## *Organization of Government in Ontario*

ation that you may require concerning the Board's activities we shall be pleased to give the Committee whatever further assistance we can.

URWICK, CURRIE LIMITED

### **Addendum, September, 1959**

The Board has been assigned to the Minister of the newly formed Department of Energy Resources.

A regulation of the Fuel Board, made in November, 1958, requires gas utilities to install service shut-off valves on all gas service lines (those between the main or pipe line and the users' meters) serving non-residential buildings or lines above a specified pressure or diameter serving residential purposes. Where gas meters had been removed prior to the new regulation, gas utilities are required to cut off the flow of gas in the service lines to ensure that gas cannot enter the building through such lines.

The utilities are required to conduct a survey of the work which must be done to comply with the regulation and to report to the Board plans and schedules for completing the work. Monthly reports must be submitted indicating the work completed. To handle the administrative and inspection work to which the new regulation gives rise, the Board has added a Transmission and Distribution Branch thus far consisting of eleven persons.

## 9. The Ontario Highway Transport Board

Committee on the Organization of  
Government in Ontario,  
Parliament Buildings,  
Toronto, Ontario.

July 16, 1958.

Gentlemen:

As requested, we have made a review of the organization and functions of the Ontario Highway Transport Board. The results of this review are summarized in the memorandum which follows. This data, which has been compiled from what we believe to be reliable sources, has been confirmed by reference to applicable statutes and the regulations issued thereunder where possible; it has not been otherwise verified by the examination of any books, documents or minutes of the Board, as we understand that the scope of our engagement does not contemplate a perusal of such detailed records except where necessary to obtain information pertinent to a survey.

Respectfully submitted,  
THORNE, MULHOLLAND, HOWSON & MCPHERSON  
*Chartered Accountants*

1. The members of the Board are:

S. H. S. Hughes	Chairman (appointed a Justice of the Supreme Court of Ontario, June 19, 1958, so this office is now vacant)
E. J. Shoniker	Vice-Chairman
R. H. Yeates	Member
G. Stoddart	Member



## Organization of Government in Ontario

The Secretary to the Board is Mr. G. C. Marrs who is considered an Executive Officer, Group 1 under the Civil Service Commission classification.

2. The Board is made up of four members including the Chairman and normally sits in two divisions of two members each on every working day. Applications before the Board are generally heard in Toronto although the Board is available to sit upon application in any part of the Province. During the two years since its inception, the Board has sat in Ottawa, London, Windsor, Welland, Orillia, Penetanguishene, North Bay, Sudbury, Sault Ste. Marie, Port Arthur, Guelph, Chatham and St. Thomas. Out of town sittings are now held approximately twice a month.

At present the Board has one executive (the Secretary) and a clerical staff of 14.

3. The Board was created by *The Ontario Highway Transport Board Act* which was enacted October, 1955.

Prior to 1933, the functions of the Board were administered by the Registrar of Motor Vehicles; from 1933 until the present Act came into force in 1955, by the Ontario Municipal Board. It is to be noted that the Royal Commission on Transportation of 1937 recommended that a separate board be established with wide powers to regulate the rapidly growing highway transport industry.<sup>1</sup>

4. The members of the Board are appointed by the Lieutenant-Governor in Council and hold office at his pleasure—i.e., no fixed term. Other personnel are recruited through the Personnel Branch of the Department of Transport and hence are civil service employees.

The duties of the Board keep the members occupied on a full-time basis, and sittings frequently last into the evening.

5. The annual cost of maintaining the Board is covered by an expense vote of the Legislature. The 1958-59 estimate and the actual and budgeted figures for the year ended March 31, 1958 are as follows:

	<i>Budget</i> <i>1957-58</i>	<i>Actual</i> <i>1957-58</i>	<i>Budget</i> <i>1958-59</i>
Salaries	\$ 80,000	\$77,729.14	\$ 93,500
Travelling	5,000	2,593.07	4,500
Maintenance	12,000	6,138.18	10,000
	<u>\$ 97,000</u>	<u>\$86,460.39</u>	<u>\$108,000</u>

<sup>1</sup>See Note A for commentary on the report of the Royal Commission.

## *The Ontario Highway Transport Board*

The only external sources of revenue for the Board are Hearing Fees, costs assessed against applicants and opponents, and fees for copies of documents. For the year ended December 31, 1957 these amounted to:

Hearing Fees	\$70,063.65
Costs	7,705.00
Document Fees	1,447.86
	<hr/> \$79,216.51

It is to be noted that the operating licences issued pursuant to certificates granted by the Board are actually issued by the Public and Commercial Vehicles Division of the Department of Transport, and constitute revenue of that Division and not of the Board.

Hearing fees are set by the Board (Sec. 21, HTB Act) and the current scale which went into effect May 1, 1956, is printed on the application for licence forms under *The Public Vehicles Act*, *The Public Commercial Vehicles Act* and *The Motor Vehicle Transport Act (Canada)*.

Costs are only assessed in Toronto when the hearing extends beyond one day, and the scale is the same as that of the Supreme Court. In the case of hearings held out of town, the costs assessed are intended to cover the travelling expenses of the Board and its lodging while away from Toronto. The Board has authority to fix such costs under Sec. 15, HTB Act.

Fees charged for documents, maps, plans and certificates are set pursuant to the authority granted under Sec. 20 (2) HTB Act (present rate \$1.00 each).

6. (a) The function of the Board, stated briefly, is to furnish certificates of "public necessity and convenience" to the Minister of Transport so that operating licences may be issued to applicants pursuant to the terms of *The Public Vehicles Act*,<sup>2</sup> and *The Public Commercial Vehicles Act*,<sup>2</sup> and *The Motor Vehicle Transport Act (Canada)*. The first two acts provide that applications for operating licences under both statutes shall be made to the Minister of Highways (now the Minister of Transport since the separation of these departments in 1957) but that no operating licence shall be issued without the approval of the Board being first obtained as evidenced by a certificate of public necessity and convenience.

*The Motor Vehicle Transport Act* entrusts the provincial Transport Board in a province with the task of issuing "in its discretion" licences for the operation of trucking services between provinces, "in like manner and

<sup>2</sup>Under these Acts, "public vehicle" means a motor vehicle operated for transportation of passengers or passengers and express freight; "public commercial vehicle" means a commercial motor vehicle or trailer operated for the transportation of goods only.

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subject to the like terms and conditions as if the extra-provincial undertaking was a local undertaking”.

The authority of the Board can thus be classified as regulatory in that it has the power to limit the number of public vehicles within the Province, and its specific power is the allocation of licences based on its interpretation of what constitutes “public necessity and convenience”.

(b) The Board is in effect a judicial body and has authority to hear and determine all questions of law or fact on matters within its jurisdiction (HTB Act Sec. 12 a); it may summon any person and require him to give evidence on oath (Sec. 8); where sittings are to be held in a municipality in which a court house is situate, the Board and its members shall have in all respects the same rights as a Judge of the Supreme Court with respect to the use of the court house and of other buildings set aside in the municipality for the administration of justice. (Sec. 12 (2) ).

Every order and decision of the Board is final and binding (Sec. 19) except that an appeal is available to the cabinet upon petition (Sec. 17) or to the Supreme Court (Court of Appeal) on a question of jurisdiction or law only (Sec. 18).

7. (a) There is at present apparently no abnormal back-log of work before the Board, and statistics as to applications processed since the inception of the Board indicate that they are handled at the rate of 10 or more per working day.

In the case of an application where there is no opposition, the application may be granted in 20 days—i.e., 15 days allowed to file an objection after publication in the *Ontario Gazette*, and 5 days to process the documents.

Otherwise, the average time when a hearing is involved is about 2 months. As a general rule the Board sits on every application where a new operator is involved, or (as is required by statute) when an objection is filed.

In determining what constitutes “public necessity and convenience” the Board apparently takes into consideration such matters as:

- the efficiency of the competing service, if any.
- the adequacy of the applicant’s equipment to handle the service contemplated.
- the satisfaction or otherwise of the consignee(s) with respect to the applicant’s service when an extension of such service is proposed.
- the financial condition of the applicant—presumably to assess his capability for providing continuity of service.



## *The Ontario Highway Transport Board*

- volume of goods carried since the granting of a previous licence or authority under which the applicant operated in the past.

(b) The reports emanating from the Board are:

- daily report of applications to Department of Transport together with the fees therefor.
- weekly attendance report to the Personnel Branch of the Department of Transport.
- annual report.
- annual estimate of expenditure.

Close liaison exists between the Board and the Public Commercial Vehicles Branch of the Department of Transport re violations of the P.V. or P.C.V. Act and/or *The Highway Traffic Act*.

(c) On questions of policy, not covered by a directive from the Minister, members of the Board reach agreement among themselves and confirm their stand with the Minister or Deputy Minister in an informal conference. These generally consist of rather technical matters—e.g., the weight of vehicles to be permitted on certain routes, whether or not licences will be granted to vehicles having a gross weight of more than 18 tons, whether trailers of one trucking company may be inter-changed with those of another, etc.

### **Addendum, September, 1959**

Since the foregoing memorandum was submitted membership on the Board has been increased from four to five members.

Mr. E. J. Shoniker has been appointed Chairman of the Board and Mr. R. H. Yeates, Vice-Chairman. New members are Mr. E. Max Walker and Mr. G. C. Marrs. The latter continues to act as Secretary for the Board.

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### **Note A**

#### COMMENTARY ON THE REPORT OF

#### THE ROYAL COMMISSION ON TRANSPORTATION, 1937

*Date of report: December 23, 1938*

The Royal Commission evidently believed that a regulatory board was necessary in the sense that unrestricted competition should not be allowed. This viewpoint is expressed in the following extracts from the report:

*Article 1.9:* "Commercial vehicles have increased markedly in recent years. The evidence indicated that too many licences had been issued to such vehicles."

*Article 1.18:* "While competition between motor transport and both the freight and express departments of the railways has been keenly felt, nevertheless the evidence definitely showed that the principal source of the drastic competition that has disorganized the motor transport business is the competition between the motor transport operators themselves."

*Article 1.19:* "The chaos into which the motor transport industry was thrown by reason of the severe and unrestricted competition that developed by 1933 in large measure still exists . . . The Commission believes that the duty of the controlling authority should be confined to the insurance of the dependability of service, protection of the public against extortionate charges, discrimination and unfair and ruinous competition, the exploitation of labour, dangerous equipment and hazardous operating practices, and that it should afford protection of the licensed operators in their legitimate interests."

These pronouncements should perhaps be read against the background of the period, bearing in mind that the depression of the 1930's caused many operators to accept near starvation wages rather than forego employment, and numerous would-be truckers entered the industry under the mistaken impression that it offered a profitable and relatively easy occupation.

The recommendation covering the creation of a board is stated in the following paragraph:

**"RECOMMENDATIONS:**

**(1) A TRANSPORT BOARD.**

The Commission unanimously recommends the appointment of a Transport Board clothed with the powers and authority to deal fully and completely with the problem of transportation in the Province in its varied and complex forms. The conditions of appointment and service should be such that the members of it can act with independence and security. The motor transport industry in Ontario is now in the class of big business and the issues to be faced by any regulating Board will be so important and at times so difficult that no Board should be in the position of being impelled to withhold what might be temporarily an unpopular decision. It is suggested that the Board consist of three members appointed for a period of ten years irrespective of political allegiance, and during good behaviour should be removable only for cause by the Legislature. They should cease to hold office on attaining the age of seventy years. The powers of the Board should, in the opinion of the Commission, be similar to the present Board of Transport Commissioners for Canada (Article 11.9)."

Article 11.9 stipulates that the Chairman should be chosen from the legal profession, should be familiar with the applicable law, should have had considerable ex-

## *The Ontario Highway Transport Board*

perience as a member of deliberative bodies, and some acquaintance with the transportation of goods and passengers by motor vehicle; the second member should be one who for some years has been engaged in the automotive transport business and who has a thorough understanding of its needs; the third member should be a university graduate in engineering of some years' standing with experience in dealing with problems relating to transport.

An interesting comment on the policy of the Department of Highways with respect to licences issued during the period when the Ontario Municipal Board issued certificates of public necessity and convenience is contained in the following paragraph:

*Article 7.5:* "If a certificate is issued (by the Ontario Municipal Board), the Department of Highways may or may not grant a licence for the offered service. Legally, its discretion in respect of the issuance of permits is unfettered. In actual practice it conforms to three basic principles, namely:

- (a) Permitting one licensee to provide all local service between two main points.
- (b) Continuance of a licence to an operator who provides a service in conformity with all statutory and departmental regulations.
- (c) Where a licence is transferred, granting preference under equality of conditions to an operator already providing service in the district."

This philosophy may be said to apply to the Highway Transport Board to-day except for point (a), there being no attempt on the part of the present Board to restrict any route to one licensee. It is to be noted also that no licence has been refused by the Minister subsequent to the granting of a certificate by the Highway Transport Board since the creation of the Board in 1955.



## 10. Ontario Municipal Board

Mr. W. L. Gordon, F.C.A., Chairman,  
Committee on the Organization of  
Government in Ontario,  
Toronto, Ontario.

September 26, 1958.

Dear Sir:

We are pleased to submit herewith our report covering the organization, functions and responsibilities of the Ontario Municipal Board. This report covers a review carried out in accordance with your letter of July 3, 1958, addressed to Mr. L. R. Cumming, Q.C., Chairman, Ontario Municipal Board.

The Ontario Municipal Board is a tribunal to which application is made for orders, decisions and rulings by many persons and corporations under the provisions of many different Acts in the legislation of Ontario. The Board does not initiate any matters but only hears applications from municipalities and others.

The chief purpose of the Board is to provide a means of exercising provincial or central control over certain statutory powers of municipalities in Ontario, where, in the opinion of the Provincial Government, uncontrolled local autonomy is undesirable. This requires its members to adjudicate on financial and other matters and to use some discretion on behalf of the taxpayers in municipalities.

Municipalities are creatures of the Province as provided for in the BNA Act and as such *must* do certain things and *may* do other things either on their own, or with the consent of government departments or commissions, the Municipal Board, or in some cases, the local electors. For example, they *must* provide a police force, courts, road repairs; they *may* borrow money by debentures with the approval of the Municipal Board.

## Ontario Municipal Board

At the present time, there are nine Board members all of whom are members of the civil service engaged full-time on Municipal Board matters. Applications are considered and orders issued throughout the Province by any two members sitting as a team. If the matter in question is apt to involve a point of law, then one of the two Board members is usually a lawyer. A 1957 amendment provides that one member only may conduct hearings and report to two other members of the Board, one of whom shall be the Chairman or a Vice-Chairman.

A brief history of the Ontario Municipal Board and some comments on the duties and responsibilities of the Board are contained in a separate note attached. This information was prepared by the Secretary to the Board for another purpose but as it presents a clear and concise picture of the operations of the Board it is included without change for your information.

The powers and responsibilities of the Board are set out in *The Ontario Municipal Board Act*, Chapter 262 of the Revised Statutes of Ontario, 1950. In addition to matters referred to under the provisions of this Act, the Board also has matters referred to it and is affected by the provisions of many Acts, the most significant of which are: *The Assessment Act*; *The Conservation Authorities Act*; *The Highway Improvement Act*; *The Municipal Act*; *The Municipal Drainage Act*; *The Municipality of Metropolitan Toronto Act*; *The Ontario Water Resources Commission Act*; *The Planning Act*; *The Power Commission Act*; *The Public Works Act*; *The St. Lawrence Development Act*; *The Secondary Schools and Boards of Education Act*.

The Board makes an annual report to the Minister of Municipal Affairs. The fifty-second annual report for the year ended December 31, 1957, is attached to this memorandum. This report gives a good picture of the matters coming before the Board, the work that is done under various Acts and an indication of the volume and importance of the business coming before it. A function of the Board which is considered to be of prime importance is the requirement contained in Section 67 of *The Ontario Municipal Board Act* requiring municipalities to obtain the approval of the Board before authorizing or providing money for undertaking projects, the cost of which is going to be raised in a subsequent year or years or provided for by a debenture issue.

In the year ended December 31, 1957, the Board received 3,210 applications for a total value of \$258,634,295. Of the 3,210 applications to the Board, 1,970 had to do with proposed capital expenditures and 1,240 were miscellaneous matters, the nature of which is as follows:

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- restricted area by-laws (zoning) under Section 390, of *The Municipal Act*
- appeals from restricted areas by-laws
- official plans (zoning)
- sub-division plans
- committee of adjustment appeals
- assessment appeals (3rd stage, after Court of Revision and County Judge)
- arbitration under *The Highways Act*, *The Power Commission Act*, and *The Public Works Act* for expropriation
- arbitration at request of municipality
- applications for alteration of municipal boundaries in connection with annexations, amalgamations, dissolutions, etc.
- changes in status of municipal corporations—village to town, etc.

During the year 1957, the Board issued 4,138 orders for capital expenditures and 935 miscellaneous, a total of 5,073. The difference between orders issued and applications made is due to the carry-over of matters under consideration from one year to the next.

The Board, for administrative purposes, is part of the Department of Municipal Affairs. Its employees, including Board members, are all members of the civil service and the clerical staff of some thirty persons is obtained through the Department of Municipal Affairs. The revenue to operate the Board is obtained from fees received on applications made or orders issued according to a tariff of fees established by the Board. During the fiscal year ended March 31, 1957 the revenues of the Board amounted to \$293,321.

We wish to acknowledge the kind co-operation of Mr. Cumming and other members of the staff of the Ontario Municipal Board.

Yours very truly,

PRICE WATERHOUSE & CO.

*The Board:* Names of principal officers and dates of appointment:

Chairman	Mr. L. R. Cumming	February	15, 1950
Vice-Chairman	Mr. J. A. Kennedy	October	1, 1956
Vice-Chairman (since 1951)	Mr. R. C. Rowland	June	10, 1947
Vice-Chairman (since 1957)	Mr. C. W. Yates	August	15, 1951



## Ontario Municipal Board

Member	Mr. R. L. Kennedy	February 15, 1951
Member	Mr. C. F. Nunn	July 1, 1952
Member	Mr. W. Greenwood	January 1, 1953
Member	Mr. D. Jamieson	December 1, 1955
Member	Mr. V. S. Milburn	April 1, 1956

Mr. O. R. Chapman serves as Secretary of the Board.

*Financial Data:* Revenue is obtained from fees levied on applications, or orders issued, according to a tariff established by the Board. Control over expenditures is that exercised by the Treasury and Provincial Auditor through the Department of Municipal Affairs. The estimates of the Board are provided for by the Department of Municipal Affairs as the Board, for administrative purposes, is an integral part of that department.

*Functions and Responsibilities:* The Board can be said to be judicial and administrative. The Board is called upon to adjudicate on many different matters brought to it by municipalities, taxpayers, and the Provincial government either as an obligation under a Provincial statute or as an option where somebody requires an impartial referee.

Some Provincial statutes contain a provision that the Board may be required to adjudicate in certain areas—in such cases, Provincial policy appears to determine whether a government department or the Board handles the matter. The Board has no discretion as to what matters it must consider (provided it is qualified by law) and as a result the members hold tribunals on such varied subjects as drainage, annexations, capital expenditures by municipalities, expropriations by government authorities, zoning by-laws, assessment appeals, etc. In many cases the Municipal Board is named as the arbitrator or the referee in specific statutes such as in *The St. Lawrence Development Act*. In other cases, it has become referee by default such as the role of drainage referee whereby the Board succeeded two deceased referees whose successors were never appointed. Some of its obligations appear at variance with its main purposes—e.g. the Board is required to approve fares and routes of the Hamilton city bus system.

The Board has the power to over-rule a vote of municipal electors on matters of capital expenditure if it deems the approval by the electorate is not in their own best interests. For example, the electors of a municipality voted to have a community centre but turned down a needed water system in the same election. The Board reversed the decision by approving the utility but not approving the centre.

The Board is not concerned with expenditures made in a current

## *Organization of Government in Ontario*

year by a local council as long as the funds are provided in the current tax levy. However, the Board has an obligation to future taxpayers and the extent to which they are committed to capital payments and local taxes.

Appeal from decisions of the Municipal Board may be made to the Lieutenant-Governor in Council. This action is rarely taken and the more usual appeal is to the Court of Appeal and then only on a question of law or jurisdiction. For example, an appeal is being made in connection with the Metropolitan Toronto subway to test the Board's powers under Sections 67 and 70 of the Act.

*Operation:* The work of the Board appears to be up to date although the great number of varied and diverse matters require careful use of the time of Board members. There is some carry-over from period to period—most of which is caused by delay by municipalities and others in submitting data requested by the Board before giving an approval.

The Board prepares an annual report which is sent to the Minister of Municipal Affairs who presents it to the Assembly. The report covers such things as Organization and Staff, Applications made to the Board (under various headings), Annexation decisions, Changes in legislation affecting the Board, Revenues, Capital Expenditures, etc.

## **History and Functions of the Ontario Municipal Board**

The organization of the Ontario Municipal Board is provided for in *The Ontario Municipal Board Act*. The Board was first constituted as The Ontario Railway and Municipal Board by *The Ontario Railway and Municipal Board Act*, passed by the legislature of the Province of Ontario in 1906. Originally the duties and powers of the Board were the administration of *The Ontario Railway Act* in place of the Railway Committee of the Executive Council, the right to hear complaints under any agreement between a railway company and a municipality, the right to hear assessment appeals where the amount involved was over \$20,000, and the right to alter municipal boundaries under *The Municipal Act*. During the years other powers have been added until today when in addition to the general powers contained in *The Ontario Municipal Board Act*, the Board has entrusted to it many other duties and responsibilities covering a great variety of subjects which are to be found in numerous general and special acts passed since the Board was first constituted, and which are now in force.

Due to increasing duties with respect to municipalities, and to greatly lessened work in connection with railways, the name of the Board was



changed in 1932 to the Ontario Municipal Board. With the increase in duties the membership of the Board has increased until today it consists of 9 members, including the Chairman, with a Secretary and a clerical staff of 34.

Before reviewing the work of the Board it is desirable to keep in mind that the Board does not exercise any powers or initiate any investigations or enquiries on its own motion. Its sole function is to deal with applications made to it under the authority of Provincial legislation, which gives the Board jurisdiction to make orders, or requires its approval or consent in respect of proposals emanating from elected municipal councils or other local boards. In addition to the control of these phases of local municipal administration, the Board exercises other powers of adjudication within its own jurisdiction involving changes in the boundaries of local municipalities, arbitrations as to the amount of compensation to be paid owners of land expropriated, assessment appeals, and a variety of similar matters.

The Board has certain basic responsibilities with respect to all types of application. In the first place it must decide that the applicable legislation as interpreted by the Courts clearly gives the Board sufficient jurisdiction and power to receive and dispose of the particular application before it. If the legislation has not granted such jurisdiction the Board cannot proceed further with the application. In the second place where the application is made on behalf of a municipal or local board, the Board must be satisfied that the local body has statutory authority to proceed with the proposed work or project, or to adopt the by-law which is submitted for the Board's approval, and that it has also complied with all statutory conditions and requirements imposed by the legislature. The Board must also decide, in the case of each application, whether a public hearing is required. If it appears that any interests other than those adequately represented by the application might be prejudiced, or even directly affected, by the application, then persons having such an interest are given an opportunity to be heard before a decision is made by the Board. In these cases, the Board must, on the basis of the material filed and any other available relevant information and the evidence and arguments submitted at the public hearing, if one is held, decide what is for the greatest common good and whether it is in the interest of the municipality and the residents and ratepayers concerned that the application should be approved.

The function of the Board, which is perhaps of first importance, is the requirement contained in Section 67 of *The Ontario Municipal Board Act*, under which a municipality may not proceed with or authorize any



## *Organization of Government in Ontario*

works, or provide any money, for any undertaking, the cost of which is to be provided for by the issue of debentures, or raised in a subsequent year or years, until the approval of the Board has first been obtained. A proper exercise of the Board's responsibility under this section requires careful consideration of the need for sound municipal financing as the foundation for the continued progress, not only of the municipalities, but of the Province as a whole. Progress of necessity creates additional debt, but unless debt is kept within the ability of the people to pay, then the benefit from such progress is seriously undermined. Unless properly limited, municipal debt will almost certainly become an undue burden and could lead ultimately to the hardships which result from municipal insolvency. During the past few years there has been a substantial growth in most urban and suburban centres in this Province, involving extensive and very costly municipal public works and improvements and new school accommodation. At the same time, especially during the past year and a half, the municipalities have experienced serious difficulties in obtaining the necessary capital funds to finance their projects. Increasing demands for money to finance major undertakings of the central governments and their agencies, of heavy capital expenditures in the mining, industrial and commercial fields, have resulted in a substantial reduction in the amount of funds available to the municipalities, rapidly increasing interest rates on new issues, and a more careful scrutiny of the financial position of the borrowing municipalities by underwriters and potential investors. These conditions have served to emphasize the responsibilities of the Board in considering applications for approval of new projects. Municipalities which are in a sound financial position find it easier to borrow, especially in time of "tight" money, and can usually borrow at a more advantageous rate of interest. It is clear, therefore, that anything this Board may do to keep a municipality in a strong credit position will make it easier for the Council or local board to perform its duty in providing any capital improvement that may be required.

Under Section 61 of *The Ontario Municipal Board Act*, a municipality if it so desires, may apply to the Board for an order approving a debenture by-law and subsequently for a certificate of the validity of each of the debentures issued thereunder. A great number of municipalities avail themselves of this opportunity as the legislation provides that when the by-law has been so approved and the debentures certified in accordance with the statute, the by-law and any debentures issued thereunder shall for all purposes be valid and binding, and their validity shall not be questioned or contested in any manner.

## *Ontario Municipal Board*

In addition to its powers in respect to municipal financing, referred to above, the Board's functions and duties include the approval of restricted area by-laws and amendments thereto, the hearing of appeals from the neglect or refusal of local councils to adopt amendments requested, and from Committee of Adjustment decisions. The Board also has power to approve plans of sub-divisions, official plans and amendments thereto, when applications for approval therefor are referred to it by the Minister of Planning and Development.

The Board also exercises jurisdiction with respect to the incorporation, amalgamation or annexation of municipalities or any other municipal boundary changes. It has authority to determine claims for compensation for lands expropriated by various public authorities and has jurisdiction with respect to the closing of township, town or county roads, intersecting or running into a controlled access highway, and to hear appeals from County Judges on local assessments.

Before exercising its powers with respect to any of these matters or those referred to in the preceding paragraph, the Board is required to hold a public hearing which is invariably held in the locality of the lands affected.

### **Addendum, September, 1959**

In further reference to the functions and responsibilities of the Board, the appeal in connection with the Metropolitan Toronto subway resulted in:

- under Section 67 of *The Municipal Board Act*, confirming that the Board has to approve all capital transactions of municipalities which create a debt for the future, whether or not debentures are issued for such debt; and
- under Section 70 of the Act, clarifying and upholding the powers of the Board to impose conditions for municipalities in its approval of capital expenditure projects.

A new member, Mr. A. L. McCrae was added to the Board in December, 1958.

## 11. The Ontario Racing Commission

Committee on the Organization of  
Government in Ontario,  
Parliament Buildings,  
Toronto, Ontario.

July 28, 1958.

Gentlemen:

As requested, we have made a review of the organization and functions of the Ontario Racing Commission. The results of this review are summarized in the memorandum which follows. This data, which has been compiled from what we believe to be reliable sources, has been confirmed by reference to applicable statutes and the regulations issued thereunder where possible; it has not been otherwise verified by the examination of any books, documents or minutes of the Commission as we understand that the scope of our engagement does not contemplate a perusal of such detailed records, except where necessary to obtain information pertinent to a survey.

Respectfully submitted,

THORNE, MULHOLLAND, HOWSON & MCPHERSON  
*Chartered Accountants*

### 1. *Members:*

\*Chairman

S. Tupper Bigelow, Q.C.

### OTHER ACTIVITIES

Magistrate for  
the Magistrate's  
Court, City  
Hall, Toronto.

\*Civil servants within the meaning of *The Public Service Act*.



## *The Ontario Racing Commission*

Vice-Chairman	Donald A. Macintosh, M.C.	Partner Macintosh & Co., Insurance Brokers, Toronto.
Member	John W. Hanna	M.P.P. for Huron-Bruce.
Member	Brigadier C. S. McKee, C.B.E.	Manager of the Royal Winter Fair.

### *Officials:*

*Supervisor of Racing	W. J. Risewick
Supervisor of Harness Racing	Charles Lamb
Commission Steward	Thomas Clark
Commission Public Relations Officer	W. A. Hewitt
Commission Analyst	Ralph Bull, Provincial Analyst
Chief Investigator	W. R. McAllister
Commission Clerk	J. B. Irvine
*Secretary-Treasurer	Miss M. H. Rundle
*Assistant Secretary-Treasurer	Miss J. A. Penney
Commission Veterinarians	5 in all, 3 for thoroughbred racing and 2 for harness racing.

### *Employees:*

Assistants – 7 for licensing and saliva, blood and urine tests at the tracks.

2. The Commission was created by *The Racing Commission Act* which was passed in 1950. Prior to this, its functions to some extent were performed by the Incorporated Canadian Racing Associations, an affiliation of Ontario race track operators. When the Commission came into existence the Associations ceased to exercise any regulatory powers over racing.

It is to be noted that the jurisdiction of the Commission applies only to horse racing meetings where pari-mutuel betting is permitted, i.e., at Fort Erie, Old Woodbine and Woodbine race tracks, and by tacit agreement with the Canadian Trotting Association, the conduct of harness racing at local fairs, etc., is entrusted to the supervision of the latter body.

\*Civil servants within the meaning of *The Public Service Act*.

## *Organization of Government in Ontario*

The members of the Commission are also associate members of the National Association of State Racing Commissioners which includes in its membership the racing boards or commissions of 26 States of the United States and the governing bodies of racing in Mexico, Cuba, Puerto Rico and the Bahamas. Rule 59 of the Rules of Racing (1957), promulgated by the Commission, states that,

All rulings of Racing Boards and Commissions who are members or associate members of the N.A.S.R.C. will be honoured by the Commission as taking effect in Ontario, and all Associations and their officials and employees shall honour such rulings. Association is defined in Rule 2 as "a person, association, or corporate body licensed by the Commission to conduct a race meeting". In practice, this means the Ontario Jockey Club in Ontario, since this is the only racing association under which pari-mutuel betting takes place in this Province.

As noted in the 1957 annual report of the Commission, this co-operation has apparently resulted in the exclusion of many undesirables from the North American turf, even though their offences were committed in only one racing jurisdiction.

3. The members of the Commission are appointed by the Lieutenant-Governor in Council and hold office at his pleasure.

As noted earlier, only three officials are civil servants. This is consistent with the fact that the duties of most of the officials are not full-time and their remuneration is accordingly on a "per racing day" basis.

4. Following is a brief explanation of the duties of some of these officials where it is not evident from their titles:

Rule 62 states that the Supervisor of Racing is the representative of the Commission on the grounds of an Association when it is conducting a race meeting and has the responsibility, among other things, of supervising in the performance of their duties all Commission and Association officials and employees.

The duties of the Stewards are to regulate the conduct of all racing officials, owners, trainers, jockeys, grooms, etc., and ensure compliance with the Rules of Racing.

The Chief Investigator supervises the activities of the Veterinarians at the track which includes supervising the collection of urine and saliva tests on all winning horses, pre-race examination of horses, and related duties.

The Commission Clerk is principally concerned with the issuing of

## *The Ontario Racing Commission*

occupational licences to personnel connected with racing. The rates for these are detailed in the section which follows.

5. The annual cost of maintaining the Commission is covered by an expense vote of the Legislature. The 1958-59 estimate and the actual and budgeted figures for the year ended March 31, 1958 are as follows:

	<i>1957-58</i>	<i>1957-58</i>	<i>1958-59</i>
	<i>Estimate</i>	<i>Actual</i>	<i>Estimate</i>
Salaries	\$ 44,000.00	\$ 41,251.96	\$ 50,000.00
Travelling expenses	13,000.00	11,359.18	15,000.00
Maintenance	68,000.00	54,664.36	70,000.00
Services of officials at race tracks	85,000.00	80,638.85	100,000.00
	<u>\$210,000.00</u>	<u>\$187,914.35</u>	<u>\$235,000.00</u>

External sources of revenue consist of licences, registration fees and fines for infractions of the Rules of Racing as promulgated by the Commission.

The current scale of licence and registration fees is as follows:

*Licences (for the racing year):*

Harness racing (all categories)	\$ 2.00
Owners	10.00
Owner-Trainers	20.00
Trainers	10.00
Jockeys	15.00
Apprentice jockeys	5.00
Jockey agents	5.00
Jockey valets	5.00
Grooms, exercise boys, etc.	2.00

*Registration fees (annual, except for registration of colours for life as noted below):*

Stable names	\$15.00
Partnerships	2.00 per horse
Leases	2.00 per horse
Authorized agents	5.00
Jockey contracts	1.00
Colours (racing silks)	5.00 annual
Colours	50.00 life

In addition to the above, track fees of \$350.00 per day are collected



## *Organization of Government in Ontario*

from the Racing Association for Thoroughbred Racing and \$140.00 per day for Harness Racing.

The revenue of the Commission (net after refunds) from all external sources for the year ended March 31, 1958 was as follows:

Track fees		\$71,260.00
<i>Licences:</i>		
Harness racing	\$ 181.00	
Owners	4,721.00	
Owner-Trainers	1,865.00	
Trainers	1,455.00	
Jockeys	1,050.00	
Apprentice jockeys	145.00	
Jockey agents	180.00	
Jockey valets	64.00	
Grooms, stable boys, etc.	1,197.00	10,858.00
<i>Registration fees:</i>		
Stable name	1,415.00	
Partnerships	582.00	
Leases	69.00	
Authorized agents	580.00	
Jockey contracts	40.00	
Colours	2,153.00	4,839.00
Fines		1,520.00
Discount on U.S. funds and miscellaneous		14.75
		<hr/> \$88,491.75

Salaries and expenses are paid or reimbursed by the Treasury Department. The Commission has an Accountable Warrant of \$1,250.00.

From the foregoing statistics of revenue and expenditure, it will be seen that the net cost to the Province for the regulation and control of racing at pari-mutuel tracks for the year ended March 31, 1958 was approximately \$100,000.00, i.e., \$187,914.35 expenditure less net revenue of \$88,491.75.

6. The function of the Commission is stated in broad terms in Section 3 of *The Racing Commission Act*, namely, "to govern, direct, control and regulate horse racing in Ontario in any or all of its forms".

The Act provides for a Commission of not less than three and not more than seven members (Section 2). At present there are four members including the Chairman, as noted above.

## *The Ontario Racing Commission*

The specific powers of the Commission are set forth at considerable length in Section 11 of the Act. The most important of these are:

- the licensing of persons who operate race tracks as well as owners, trainers, jockeys and any other persons in or about race tracks.
- the power to suspend or revoke any licence for conduct which the Commission considers to be contrary to the public interest.
- to make and promulgate rules for the conduct of horse racing in any of its forms.
- to approve the appointment of race track officials and Association employees whose duties relate to the actual running of horse races.
- to fix, impose and collect fines for violation of or failure to comply with any requirement of the Commission.

In carrying out its functions, the Commission employs a staff of Stewards, Veterinarians and Analysts to assure compliance with the Rules of Racing at race meetings. At thoroughbred race meetings, the normal complement is three Stewards, the two Commission Stewards and a third appointed by the Association. The Stewards may impose the following penalties for conduct prejudicial to the best interests of racing or for a violation of the Rules (Rule 73):

- refuse admission to the grounds of an Association;
- expel an offender from the grounds of an Association;
- suspend a licensee for a period not to exceed the duration of the meeting then proceeding and not exceeding twenty days;
- impose a fine not exceeding \$200.00.

Should the Stewards consider the penalties set out above to be inadequate for the offense committed, they are required to report in writing immediately to the Commission (Rule 74).

An offender may appeal to the Commission from an action of the Stewards on a question of interpretation but not of fact. There is no provision for an appeal against any Ruling of the Commission. Section 15 of *The Racing Commission Act* provides that an order or ruling made by the Commission “shall be deemed to be of an administrative and not of a legislative nature”.

As may be seen from the 1957 consolidation, some 541 Rules of Racing have been promulgated by the Commission after consultation with

## *Organization of Government in Ontario*

representatives of the Ontario Jockey Club, the Horsemen's Benevolent and Protective Association and the Jockey's Benevolent Association.

The Commission held 53 meetings in 1957 and made 37 rulings (as set forth in the Eighth Annual Report) involving disciplinary or regulatory matters. Supplemental to the Rules of Racing are the Directives issued each year by the Commission which automatically rescind all the previous year's Directives.

The Commission renders an annual report to the Treasurer of Ontario, as the Commission is attached to the Treasury Department. Throughout the year, the Commission refers policy questions to the Deputy Provincial Treasurer. These cover matters such as the fixing of racing dates for the year, the cost of the "Film Patrol" over races, the extent of saliva and urine testing, etc.

The Commission itself receives reports from the Racing Association at the end of each race meeting covering matters such as the pari-mutuel "handle" and "take" and the attendance. The annual report of the Ontario Jockey Club is also submitted to the Commission for review.



## 12. Ontario Water Resources Commission

Committee on the Organization of  
Government in Ontario,  
Parliament Buildings,  
Toronto, Ontario.

September 29, 1958.

Gentlemen:

As requested, we have made a review of the organization and functions of the Ontario Water Resources Commission. The results of this review are summarized in the memorandum which follows.

Financial statements of the Commission as at July 31, 1958, and schedules of capital projects undertaken since the inception of the Commission are included in the Appendix, as we feel that this information may also be of considerable interest to you.

Respectfully submitted,  
THORNE, MULHOLLAND, HOWSON & MCPHERSON  
*Chartered Accountants*

1. The members of the Commission are:

A. M. Snider,	Chairman, mechanical engineer and company president
W. D. Conklin,	Q.C., owner and operator of lumber mills
R. M. Simpson,	Mayor of Arnprior, manufacturer
Jas. A. Vance,	Civil engineer, contractor with farming interests

These members were appointed by Order-in-Council May 3, 1956.  
Other executive officers are:

Dr. A. E. Berry,	General Manager of Commission and chief engineer
Brian Larmour,	Secretary of Commission and economist

## Organization of Government in Ontario

The Minister designated to administer the act constituting the Commission is the Minister of Public Works.

2. The Commission is to be composed of not fewer than three and not more than five persons (Sec. 3). (Throughout this memorandum sections cited refer to *The Ontario Water Resources Commission Act, 1957.*) At this date the vacancy created by the death of W. H. C. Brien, Q.C., has not been filled.

The Commission occupies part of the fifth floor of the East Block of the Parliament Buildings, 67 College Street, parts of 30 and 34 Grosvenor Street, a laboratory at Bay and Wellesley Streets and certain field offices in the Province.

The administrative divisions of the Commission, together with personnel employed at July 31, 1958 are set out below:

<i>Division</i>	<i>Staff Personnel</i>	
	<i>Permanent</i>	<i>Temporary Summer</i>
General administrative (Clerical and administrative functions)	34	2
Water resources (Ground water investigations, surface water surveys, etc.)	11	
Laboratory and research (Testing of water samples, industrial waste and effluents and research)	41	36
Sanitary engineering (Review of proposed water and sewage works throughout the Province and super- vision of all public systems)	24	
Plant operations (Supervision of completed O.W.R.C. pro- jects in operation)	3	
Construction (Design of projects and supervision of their construction)	5	
	—	—
	118	38

## Ontario Water Resources Commission

The personnel is classified as follows:

	<i>Permanent</i>	<i>Temporary Summer</i>
Clerical	52	3
Technical	38	27
Engineering	28	8
	—	—
	118	38

Employees of the Commission are not civil servants since their appointment is under Section 10 of the O.W.R.C. Act and not in accordance with the procedures laid down by *The Public Service Act*. However, vacation and sick leave credits and retirement fund benefits accumulated prior to becoming a member of the staff of the Commission are preserved and continued.

3. The Commission was created by *The Ontario Water Resources Commission Act, 1956*, on recommendation of a Water Resources and Supply Committee appointed by the Legislature in May, 1955. It now operates by authority of a revised Act passed April 2, 1957.

It is of interest to note that in March, 1950 the Select Committee on Conservation recommended that:

“Legislation should be enacted which would regulate the ground-water supply of urban and industrial users, with a view to protecting prior right of residents of other municipalities affected, and at the same time providing for an equitable distribution of such ground-water to all claimants”.

It is evident that the creation of the Water Resources and Supply Committee, and ultimately the Ontario Water Resources Commission, is attributable in part, at least, to the report of this Committee. (See Chapter 19, report to the Ontario Legislature from the Select Committee on Conservation, March 15, 1950).

Further investigation by the Water Resources and Supply Committee indicated that as a result of the large post-war increase in urban population in the Province, there were many areas where water services were inadequate and improper treatment of sewage was presenting a pollution problem. The cost of construction of adequate systems for the supply of water and disposition of sewage would place a severe strain on many municipalities. There was also a need to develop and make available new sour-



## *Organization of Government in Ontario*

ces of water supplies. Hence, it appeared logical that the organization set up to answer these needs should also regulate the use of water resources and insure that supplies were safe for consumption. It was evident that the problem of water pollution needed careful attention in many areas.

4. The members of the Commission are appointed by the Lieutenant-Governor in Council and hold office at his pleasure. Other officers and staff are appointed by the Commission.

The personnel at the inception of the Commission were largely transferred from the Departments of Health and Mines. This is consistent with the fact that the Commission took over the Sanitary Engineering Division from the Department of Health, subsidiary to which was the Laboratory and Research branch within that Department. Certain functions formerly performed by the Ground Water Branch of the Department of Mines were also assumed. Since then, recruitment has been mainly from outside sources.

5. Monies received or receivable by the Commission emanate from the following sources:

- by Legislative vote for: (a) Ordinary operating expenses, (b) Capital advances for construction of water and sewage systems.
- from contracts with municipalities for supplying water and sewage systems for: (a) Interest on investment, (b) Debt retirement, (c) Operating expenses, (d) A fund for renewals, replacements and contingencies.
- from licences issued to water well drillers.
- from fines and penalties for non-compliance with the governing act or regulations.
- income from retirement fund investments.

The last three items have not yet been operative.

Control over expenditures is exercised as follows:

Salaries: by the Commission.

Other ordinary expenditures: by vote of the Legislature and audit by the Provincial auditor.

Capital expenditures: by annual vote of the Legislature and audit by the Provincial auditor. It is the practice to require competitive tenders for construction and extensive internal control within the Commission itself covers such expenditures.

## *Ontario Water Resources Commission*

It is to be noted also that the Ontario Municipal Board approves the financial commitment of each municipality in each project.

Investment of Debt Retirement and Contingency Reserve Funds: by an Investment Committee appointed by the Lieutenant-Governor in Council (Sec. 45).

Water and sewage systems operating expenses: by the staff of the Commission.

General: overall control is provided through an annual audit by external auditors appointed by Order-in-Council and the annual report submitted to the Minister designated.

The actual and budgeted expenditure figures for the year ended March 31, 1958, were as follows:

	<i>1957-8</i>	<i>1957-8</i>	<i>1958-9</i>
<i>Ordinary expenditure:</i>	<i>Estimates</i>	<i>Actual</i>	<i>Estimates</i>
Salaries	\$550,000	\$345,877	
Commissioners' fees and expenses	35,000	21,273	
Travelling expenses	65,000	44,199	Same as
Supplies and general	40,000	64,152	1957-8
Project expenses	50,000	7,775	<i>Estimates</i>
Water resources supplies and expenses	50,000	14,884	
Research and development supplies and expenses	50,000	19,900	
	<u>\$840,000</u>	<u>\$518,060</u>	<u>\$840,000</u>
<i>Capital payments</i>	<u>\$15,000,000</u>	<u>\$1,871,651</u>	<u>\$15,000,000</u>

Budgeted estimates are prepared and submitted by the Commissioners and are included with those of the Department of Public Works.

Capital expenditures fell considerably short of the budget in 1957 which was the year in which the Commission developed its organization to handle the administration and supervise the construction of water and sewage projects subsequent to the passing of the revised Act on April 2, 1957. Capital expenditures in the current year (1958) are now approaching \$900,000 per month. Lists of all such projects undertaken by the Commission since its inception are contained in Schedules 3 and 4 in the Appendix.

## *Organization of Government in Ontario*

### 6. Functions and responsibilities:

(a) Statutory authority—The functions and purposes of the Commission as set out in Sections 16 and 22 of the Act are as follows:

- control and regulate the use of water for public purposes.
- construct and operate for municipalities both water and sewage systems.
- make agreements with municipalities and others for supplying water and disposing of sewage.
- conduct research programs.
- perform other functions assigned by the Lieutenant-Governor in Council.
- raise money for construction by issuing debentures guaranteed by the Province.
- borrow and repay advances from the Province.

In addition, Sections 30 and 31 establish the Commission as the supervisory authority over water and sewage works throughout the Province.

In general, the powers of the Commission may be described as advisory, regulatory, administrative and educative. They involve the setting of standards for sanitary engineering and plumbing and for quality of water. A minor licensing function is bestowed by Section 29 which provides for the issuance of licences to water-well drillers. As noted above, the Commission has not yet collected any revenue from this source, although it issues letters of authority to drillers.

The power to expropriate land for its own purposes is also granted by Section 19 to the Commission with the proviso that it shall proceed in the manner provided by *The Public Works Act* where the Minister enters upon, takes or uses land for the public purposes of Ontario.

It is to be noted that the Act does not specifically provide for transfer of the title to a water or sewage works to a municipality for whose benefit it has been constructed, in accordance with an agreement with the Commission. However, such agreements make provision for transfer of ownership to the municipality at the end of the agreement period, provided the conditions of the agreement have been met.

Under Section 38, a mandatory order may be issued by the Commission to a municipality concerning water works or sewage works where



## *Ontario Water Resources Commission*

the Commission believes it to be “necessary in the public interest” that such works be established, extended, repaired or replaced.

The Act provides for the following penalties against municipalities or persons upon summary conviction for certain offences, namely:

Discharge of polluting material into a well, lake, river, etc.	Penalty of not more than \$1,000.00 or imprisonment for not more than 1 year or both (Sec. 27 and 28).
Failure to obtain a licence for drilling wells or to make a return to the Commission concerning the drilling of a well for water.	Penalty of not less than \$10.00 and not more than \$100.00 (Sec. 29).
Failure to make required returns to the Commission by the owner of water works or sewage works.	Penalty of not more than \$100.00 (Sec. 30 and 36).
Failure to comply with a mandatory order issued in accordance with the provisions of Section 38 (see above).	Penalty of \$500.00 for every day upon which such default continues after receipt of an order (Sec. 38).
Failure to comply with a regulation of the Commission.	Fine of not less than \$5.00 and not more than \$500.00 (Sec. 46).

(b) These sections give quasi-judicial powers to the Commission, and although no specific appeal provisions are contained in the Act establishing the Commission, it would appear that normal appeal procedure in the courts of the Province may be followed with respect to any convictions handed down in such courts, at least as regards points of law.

To date, the Commission has issued only one mandatory order, and this was only after cabinet approval had been obtained. This order concerned the Town of Brockville where a critical danger of contamination existed which required a change in the siting of the intake to the water system. It is to be noted that the Commission must check with the Ontario Municipal Board before issuing a mandatory order requiring a municipality to undertake capital works, as the municipality would be unable to undertake such works without a certificate from the Municipal Board.

Only one court action has been undertaken by the Commission to date. This concerned a tannery at Acton which was causing the pollution of the

## *Organization of Government in Ontario*

Black Creek. As a result of complaints from residents along the Creek, the Commission decided to press the case acting under Section 27 after repeated warnings were ignored. The Commission was successful in this action, although no penalty was imposed on the tannery pending the construction of the necessary treatment works. In general, anti-pollution measures are enforced very carefully and action against offenders beyond attempts to persuade and educate, is not taken without cabinet approval.

7. The matters within the jurisdiction of the Commission call for approval or veto rather than peremptory decision. All matters to be approved or decided are in the sanitary engineering field and relate to the quality of water supply, the disposal of sewage, the reduction of pollution and related matters.

The Commission holds public hearings when it is proposed to locate sewage works to serve one municipality within the boundaries of another municipality. Such a hearing is to consider the interests of both municipalities and all affected parties. The Commission issues a decision thereafter.

The work of the Commission is current in its decisions, but in the field of construction of projects, a considerable time is involved of necessity before completion of the works undertaken, although no abnormal delays have been encountered to date in this area.

There is a close relationship or liaison with the various departments of government where there is a joint interest. Several departments are concerned with work which is carried out by this Commission, such as the Department of Health, the Department of Public Works and the Ontario Municipal Board. There is thus what might be called continuous contact with these various offices.

Throughout the year, reference is made to a Cabinet Sub-Committee on Water Resources under the Chairmanship of the Minister of Municipal Affairs which supervises all major integration problems of the Commission with other Provincial bodies. In addition, the Deputy Minister (Engineering) of the Department of Public Works is a technical advisor to the Commission and regularly attends all meetings of the Commission.

Section 7 of the Act requires the Commission to report annually to the Minister of Public Works whence the report is laid before the Legislative Assembly.

All routine policy matters are decided at Commission meeting but important matters of policy are submitted through the Cabinet Sub-

## *Ontario Water Resources Commission*

Committee mentioned previously for approval of the Commissions' recommendation.

A good example of the various stages through which Commission policy is decided is the supply of water from the Great Lakes to Middlesex County. Following an exhaustive analysis by its staff, the Commission carefully considered the optimum solution and a public meeting was held in Middlesex County and the matter reviewed with representatives of the municipalities and local members of the Legislature. It is anticipated that an extensive undertaking to provide capital works will result from the adoption of the Commission's report.

### **Addendum, September, 1959**

At the 1959 Session of the Legislature, provision was made for increasing the members of this Commission from five to seven. Two additional members have since been appointed: John P. Robarts and Arthur A. Wishart.

John P. Robarts recently was named Minister without Portfolio in the Ontario Cabinet and at the same time was appointed a member of the Ontario Water Resources Commission. In this dual capacity he reports directly to the Cabinet and the Legislature in regard to Commission operations. Previously, this liaison was provided by the Minister of Public Works.



# Organization of Government in Ontario

ONTARIO WATER RESOURCES COMMISSION EXHIBIT 1

## BALANCE SHEET

July 31, 1958

(Reflecting expenditures to date on a cash basis)

### ASSETS

#### *Capital account :*

Cash		\$ 33,004
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Recoverable advances to employees		8,818
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#### Completed projects in operation :

Port Perry	\$ 62,731	
Havelock	179,104	
Sunderland	100,328	
Toronto Township	526,687	
Dresden	171,996	
Stratford	927,382	1,968,228

Projects under construction		2,615,967
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Interest charges on completed projects	14,050	
--	--------	--

Less Received from municipalities for interest on completed projects	8,458	5,592
--	-------	-------

#### *Reserve account :*

Cash		1,026
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#### *Debt retirement :*

Cash		626
		<u>\$4,633,261</u>

### LIABILITIES

#### *Capital account :*

#### Capital advances:

Province of Ontario	4,158,299	
Municipalities, etc.	75,000	4,233,299

#### Owing to the Province of Ontario :

Accountable advance	25,000	
Interest on capital advances	60,595	85,595

Balances unpaid on completed projects		304,587
---------------------------------------	--	---------

Received in advance from municipalities for operation of completed projects	15,802	
---	--------	--

Less Expenses (net)	7,674	8,128
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#### *Operating account :*

Expense drawings	475,344	
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Less Expenses to date per statement	475,344	
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#### *Reserve account :*

Reserve for renewals, replacement and contingencies		1,026
---	--	-------

#### *Debt retirement :*

Reserve for debt retirement		626
		<u>\$4,633,261</u>

# Ontario Water Resources Commission

## ONTARIO WATER RESOURCES COMMISSION EXHIBIT 2

### OPERATING STATEMENT †

DIVISIONAL EXPENSES	<i>Seven months' to July 31, 1958</i>	<i>July</i>
<i>General administrative:</i>		
Commissioners' fees and expenses	\$ 11,391	\$ 902
Office and general salaries	77,708	12,003
Travelling expenses	2,824	362
General and printing expenses	17,478	1,847
Furniture and equipment	15,177	696
Professional fees	7,260	
	<u>\$131,838</u>	<u>\$ 15,810</u>
<i>Water resources division:</i>		
Office and general salaries	27,050	4,007
Travelling expenses	7,034	783
General supplies and printing expenses	796	14
Furniture and equipment	5,609	379
Engineers' fees	4,775	
	<u>\$ 45,264</u>	<u>\$ 5,183</u>
<i>Laboratory and research division:</i>		
Office and general salaries	\$111,141	\$ 21,797
Travelling expenses	13,141	3,869
General supplies and printing expenses	13,913	2,548
Furniture and equipment	17,074	3,728
Renovation of building, Bay & Wellington Streets	13,233	13,233
	<u>\$168,502</u>	<u>\$ 45,175</u>
<i>Sanitary engineering division:</i>		
Office and general salaries	\$ 75,461	\$ 13,845
Travelling expenses	14,744	1,640
General supplies and printing expenses	4,171	845
Furniture and equipment	5,898	406
	<u>\$100,274</u>	<u>\$ 16,736</u>
<i>*Operations division:</i>		
Office and general salaries	\$ 6,286	\$ 1,518
Travelling expenses	1,043	211
Furniture and equipment	106	
	<u>\$ 7,435</u>	<u>\$ 1,729</u>
<i>Construction division:</i>		
Office and general salaries	\$ 17,308	\$ 2,737
Travelling expenses	2,298	475
General supplies and printing expenses	895	38
Furniture and equipment	1,530	
	<u>\$ 22,031</u>	<u>\$ 3,250</u>
	<u>\$475,344</u>	<u>\$ 87,883</u>

†Cash basis; seven months' period ended July 31, 1958

\*From April, 1958 only

## 13. Workmen's Compensation Board of Ontario

July 11, 1958.

At the request of Mr. W. L. Gordon, Chairman of the Committee on the Organization of Government in Ontario, we conducted a survey of the functions and responsibilities of the Workmen's Compensation Board. This report records the results of this survey.

### History and Objectives

The history of the Workmen's Compensation Board dates back to 1910 when Sir William Meredith, a senior jurist in Ontario, was appointed Royal Commissioner to investigate the state of workmen's compensation in Canada and elsewhere in the world. He studied the laws in force in the United Kingdom, the United States and Europe and held hearings where briefs were submitted by manufacturers' associations, organized labour and other interested parties. As a result of his recommendations, the Ontario Workmen's Compensation Act was passed and became effective on January 1, 1915. It was the first workmen's compensation Act in Canada. Since then, all the other provinces in Canada have passed acts similar in type and based upon the original findings of Sir William Meredith.

The fundamental principle of workmen's compensation is that the risk of economic loss through personal injury in the course of employment should be borne by the industry. The economic loss which results from such displacement is considered a cost of production and is incorporated in the price of production in accordance with the current price system. Under this principle, workmen's compensation laws are designed to give an injured workman prompt medical care, and a reasonable part of the



## *Workmen's Compensation Board of Ontario*

wages lost, at the expense of the employer. The Workmen's Compensation Board therefore receives no funds whatsoever from the employees nor from the public taxpayer and derives its revenue wholly from assessment of employers.

The objective of the Act is to provide for prompt and reasonable compensation to victims of work accidents and to provide for their return to gainful employment in the shortest time possible with a minimum degree of disability. To accomplish this the Act gives the Workmen's Compensation Board the responsibility of providing medical aid, compensation and industrial rehabilitation. It also makes the Board the final authority on compensation cases. There is thus no provision for litigation under the Act and decisions of the Board are not subject to review by the courts. The Board may, however, review and modify its decisions, but it is not bound by precedent. The employer is protected from law suit by the employee in the case of allowable claims.

In giving the Board these responsibilities and making it the final authority on compensation matters, the legislators sought to cover these fundamental points:

- to enable justice to be speedily and humanely rendered. Prior to 1915 the only recourse open to an injured workman was to enter suit in the courts to recover damage for the results of industrial accidents or diseases. Any decision of the court would be subject to the submission of proof of negligence on the part of the employer, and in addition involved the argument of voluntary acceptance of risks by the employee.
- to free the courts from delay, cost, and the tremendous work load of a mass of personal injury litigation.
- to relieve public and private charities of the financial claim caused by uncompensated industrial accidents.
- to eliminate economic waste in payment of fees to lawyers and witnesses, and to save the time consumed by trials and appeals.

In addition to covering these points, the present set up of the Board as the final authority has enabled it to maintain complete control over the statistics of all cases of injury at work occurring within the Province. This has enabled frank studies to be conducted of the causes of accidents and the results of the various methods and duration of their treatment, thereby making a major contribution towards eliminating accidents that are pre-

## *Organization of Government in Ontario*

ventable and providing valuable information to the medical profession on the long and short term results of various methods of treatment.

### **Present Organization Structure**

*General:* The Workmen's Compensation Board proper consists of three members appointed by the Lieutenant-Governor in Council. They are appointed for an indefinite term and must devote the whole of their time solely to the duties of the Board. Their salaries are fixed by the Lieutenant-Governor in Council.

The Board has very broad authority. It has the same powers as the Supreme Court for compelling witnesses to appear and for examining them under oath and for compelling the production of books, papers and documents. It has full powers to allow or refuse claims for compensation, to classify employers by industrial group and to fix assessment rates for each group. There is no appeal beyond the Board in its decisions and the Board is not bound by legal precedent.

However, certain control over the Board's activities is exercised by the Lieutenant-Governor in Council. Besides appointing the Board members and fixing their salaries, the Lieutenant-Governor in Council's approval must be obtained on all regulations passed by the Board, on each purchase, acquisition or sale of real property and on the salaries of the employees of the Board. In addition, the Lieutenant-Governor in Council may appoint an auditor to audit the accounts of the Board and may require an examination of the affairs and business of the Board to be undertaken to determine the actuarial sufficiency of the accident fund. In all other respects the Board is an autonomous unit, receiving and disbursing its own funds and hiring and discharging its own employees. The Board does not report to any cabinet or other public official though it is represented on the floor of the Legislative Assembly by the Minister of Labour.

Reporting directly to the Board are ten departmental heads and one departmental managing committee. In addition to these there are some fourteen committees that report directly to the Board through the Secretary to the Board. In total there are approximately 1,300 employees of the Board.

*Board Proper:* The three members of the Board, namely Mr. E. E. Sparrow, Mr. J. C. Cauley and Dr. E. C. Steele, act entirely as a Board and have no individual responsibilities. Each member has a different background in that the Chairman is a business man with executive managerial

## *Workmen's Compensation Board of Ontario*

experience, the Vice-Chairman has had a long association with the trade unions and therefore able to see problems from a labour viewpoint whilst Dr. E. C. Steele has had wide experience in the medical profession.

*Executive Organization:* The Secretary has two functions, one as Secretary to the Board and two, as Head of the Executive Department.

AS SECRETARY TO THE BOARD: the major responsibility is for the incumbent "to act in the capacity of administrative deputy of the Board in co-ordinating all administrative activities of the Board; this involves direct liaison on behalf of the Board with all Department Heads in respect to their own departments, and particularly the duty of co-ordinating when administrative activities involve various departments". In other words, all information both to and from the Board passes through the Secretary to the Board.

Two persons, the Assistant Secretary and the Assistant to the Secretary, are subordinates.

AS HEAD OF THE EXECUTIVE DEPARTMENT: direct line authority is exercised over:

Research and Development Division. (9 employees)

Personnel Division. (8)

Public Service. (8)

Systems and Equipment Officer .(1)

Salary Administrator. (1)

Board Secretaries (7), Executive Secretaries (5), Switch-board Personnel (5) and the Board Chauffeur.

In addition, the Head of the Executive Department is a member of five of the fourteen operating committees, namely,

Administrative Committee—Chairman.

Film Committee—Member.

Salary Review Committee—Chairman.

Integrated Data Processing Committee—Member.

Claims Management Committee—Member part-time.

In the absence of the Secretary, the Assistant Secretary assumes full responsibility.

*Financial:* The Finance Department is responsible for the overall financial operation of the Workmen's Compensation Board. It is comprised of five sections dealing with accounting, machine accounting, statistical,



## *Organization of Government in Ontario*

assessment and audit functions respectively. The Finance Department is headed by the Comptroller and employs 345 clerical and supervisory personnel in fulfilling its function.

The operation of the various sections of this Department make quite extensive use of modern office and punch card equipment. In addition, an I.B.M. 650 computer has recently been installed and is now being used on the compilation of accident costs by firms and industry class, controlling and paying of doctors' accounts and on experience rating calculations. Procedures now being programmed and introduced to the computer include the issuance of assessment notices and preparation of statistical reports. The additional rental cost of the computer installation is \$8,000 per month, however it is expected that this will be more than recovered through reduction of staff once the assessment procedures are introduced.

*Medical Department:* The Chief Medical Officer is responsible for the operation of the Medical Department and is answerable directly to the Board. There is a staff of 21 medical officers with a secretarial staff of 35. The responsibilities of the Medical Department are:

### INTERNAL RESPONSIBILITIES:

- early study of the medical aspect of claims.
- advice to Claims Department on the progress of the case.
- medical opinion to the Board in respect to co-existing conditions or medical complications.
- arranging for admission to the Hospital and Rehabilitation Centre.
- estimation of physical impairment of function for permanent disability.
- assisting the Rehabilitation Department in estimating future capacity for employment.
- assisting the Claims Medical Aid Division in the assessment of difficult medical accounts.

### EXTERNAL RESPONSIBILITIES: Assisting and co-operating with the medical profession by:

- supervision of treatment and consultation on methods of treatment.
- examination of all x-ray films and, if necessary, discussion with those concerned.
- supplying information concerning the functions, policies and developments of the Board.

## *Workmen's Compensation Board of Ontario*

There is also a close functional relationship with the Rehabilitation Centre on medical matters affecting patients.

*Executive Assistant to the Board:* This function was created on 21st January, 1958. The major responsibilities are:

- complete liaison with the various safety associations.
- the complete supervision of the six District Offices.
- supervision of the work of the staff handling Section 84 (4) administration to include first-aid regulation enforcement.

There are a total of 58 employees in this department.

*Legal Department:* The Legal Department has the following main responsibilities:

- assisting the Board in the interpretation of the Act.
- approving and signing legal documents on behalf of the Board.
- supervision of prosecutions.
- drafting amendments to the Act and the various regulations.
- acting as Counsellor at Board hearings.

At the present time, a staff of 5 is employed with the further proposed addition of one junior solicitor in May, 1959.

*Review Board:* There are four permanent members of the Review Board under the chairmanship of the Head of the Legal Department.

The function of this Board is to deal with claims not settled by the Claims Department and appeals arising from the judgments of the Assessment Committee.

*Claims:* Claims for compensation are all processed by the Claims Department which, at present, is headed by a management committee. The Claims Department has a staff of 346 employees.

The Claims Department, under the four-man Claims Management Committee, is responsible basically for recording and establishing claims for industrial accidents and diseases. As part of this work it is responsible for:

- assembling all necessary medical evidence and accident history.
- accepting or rejecting claims in consultation with the Medical Department if required.
- calculating compensation due injured workmen and approving payments.
- checking and approving accounts for medical services.

## *Organization of Government in Ontario*

- adjudicating fatal claims and making awards to dependants in accordance with the provisions of the Act.
- rating of permanent disability and establishing appropriate awards. Assessing of permanent disability is a joint function of medical and claims rating officers.

*Purchasing and Investments:* The Purchasing and Investment Department under the Chief Purchasing Agent and Investment Officer is responsible for the investment of the reserve funds of the Board (\$120,000,000) and placing purchases for supplies and equipment when requested by the department heads. There are 9 persons employed at this function.

Purchasing of supplies and equipment takes the form of discussing the needs of the department requesting a purchase with its department head and then placing the order with a supplier. The general policy on purchases is not necessarily to accept the lowest bid but to place orders wherever practical with Ontario suppliers who are covered by the terms of the Act.

Investment of funds as they become available has been done by the Chief Purchasing Agent and Investment Officer personally. At the time of our visit, there was over \$6 million in cash on hand deposited in accounts bearing interest of 1.75% on the minimum monthly balance. Investments under the Act are restricted to securities issued or guaranteed by the Province of Ontario or the Dominion of Canada.

*Rehabilitation:* Medical and industrial rehabilitation is administered through three officers each reporting to the Board. These are the Medical Director of the Rehabilitation Centre, the Administrator of the Rehabilitation Centre, the Chief Rehabilitation Officer. Staff employed at this work numbers 224. The work of the three officers concerned with rehabilitation is co-ordinated by a Committee called the Rehabilitation and Treatment Services Committee of which each of the three officers is a member along with the Chief Medical Officer of the Board. This Committee meets weekly.

A description of the operating methods of the Centre is given later in this report.

## **Methods of Operating**

*Assessing:* Employers are classified under the Act in two schedules. Schedule 1 covers about 90,000 firms within the Province who are under a mutual group plan. These employers are liable to contribute to an accident



## *Workmen's Compensation Board of Ontario*

fund maintained by the Board. Employers under Schedule 2 of the Act, municipal corporations, public utilities, railways, telephone companies and similar organizations, are liable individually to pay compensation and medical aid and hence are not subject to mutual grouping.

All employers under Schedule 1 of the Act are required to submit to the Board a statement of their payroll for the previous year and an estimate of the next year's payroll. This information must be received by the Board by February 28th under penalty of fine. An assessment is then made by the Board by applying a rate to the employer's estimated current year's payroll and making allowance for any overage or shortage on the prior year's forecast compared to the firm's actual payroll for that year. The rates applied are actuarially computed for each of 110 different types of work groups based on the actual accident experience of each group. Rates are revised annually by the Board's consulting actuary. As each group is accounted for as an autonomous unit with receipts from assessments and disbursements by way of compensation being credited and debited respectively to each group's account, any over-assessment in one year would leave a balance that would go to the group's credit when calculating the following year's rate. Other factors taken into account in calculating a group rate include an estimate of the cost of unsettled claims at the year end, required pension fund reserves, administration expenses' reserves, and a calculated optimum balance for each group to absorb the effect of anticipated fluctuations in accident costs so as to stabilize the applied assessment rate from year to year.

Assessment notices are then sent out from the Board, usually beginning in mid-March. The employer has 60 days in which to pay. Failure to pay by 10 days following the date due results in a penalty being imposed and contact being made with the delinquent employer first by a collection clerk and then by collection officers of the accounting department or the Board's auditors. Failure to pay will finally result in a writ being issued to enforce collection by legal means.

Employers may appeal the industrial classification to which accidents are charged and even the rate calculation. If settlement cannot be reached at a lower level, this appeal may be made directly to the Board. There is no provision for appeal beyond the Board.

An experience rating plan has recently been introduced which permits the employers in a group to elect a basis of assessment rate calculation whereby each firm may be rewarded or penalized according to the relationship of its accident experience with that of the group to which it has been

## Organization of Government in Ontario

assigned. The scheme is designed to encourage accident prevention efforts without departing significantly from the basic principle of collective liability in the Act. To date, some 1,700 firms have joined this plan.

*Claims:* Employers under the Act are required to report to the Board any accident occurring to an employee that requires medical aid or causes disablement for more than four calendar days. Once this report has been received forms are sent to the employee concerned and to the doctor handling the case. Follow-up procedures see that these forms are returned promptly. Claims are then checked and, if allowable, the compensation payable under the terms of the Act is calculated. Disability rating is done by qualified medical staff of the Medical Department. Medical aid is paid directly to the doctors monthly, based on rates adopted by the Board in co-operation with the Ontario Medical Association. The Board is extremely conscious of the desirability of making initial payments to the claimant as soon after the accident as possible and is continually improving its claims processing procedure so as to reduce this time. Time lag surveys are taken several times each year to determine the speed with which claims are being processed. In the last two years there has been a significant improvement in time reduction brought about by a reorganization of the claims department into several autonomous units, the adoption of certain new forms and by the use of punch card equipment in preparing cheques. The results of a recent time lag survey as compared to a 1956 survey shows the extent of this improvement.

	<u>1958 survey</u>	<u>1956 survey</u>
Percentage of all new claims in which initial payment made within 2 weeks of date of accident	58.7%	32.5%
Percentage of all new claims in which initial payment made within 3 weeks of date of accident	87.8	54.3

The claimant, his employer, his union or other interested parties may dispute the decision of the Claims Department on the allowance or disallowance of a claim. In such cases appeal may be made to the Board. To help handle the great volume of disputed cases which would require Board review, a special five-man Review Board has been set up to give preliminary hearing of these cases and to make decisions on other cases which, because of their complex nature, have not been decided by the Claims Department. This Board is under the chairmanship of the W.C.B.O. Solicitor.



## *Workmen's Compensation Board of Ontario*

*Implementation of the Act:* From our various discussions with the Board and the departmental heads, a study of the Act and the related regulations, discussions with outside yet interested parties such as employers, we believe that the Act is being well administered under the terms therein.

*Rehabilitation Centre:* A new hospital and rehabilitation Centre has been built in Downsview replacing the Malton buildings that had been occupied since 1947. The new Centre cost \$5,500,000. Cabinet approval was obtained before the property for the new Centre was purchased. The Centre is divided into two sections, a 175 bed hospital and a 325 bed clinical or rehabilitation section. In addition to the operations at the Centre, rehabilitation work is carried out through rehabilitation officers working in the field.

Rehabilitation is handled under the control of three officers, the Chief Rehabilitation Officer, the Administrator of the Centre and the Medical Director of the Centre, each reporting directly to the Board. The activities of these three officers are co-ordinated through the Rehabilitation and Treatment Services Committee under the chairmanship of the Medical Director of the Centre.

The Rehabilitation Department, under the Chief Rehabilitation Officer, employs 34 persons on training, counselling, and selective placement of disabled workers. The function of the Department is to assist injured workmen whose residual disability is a definite handicap in their return to work. As such, it is not concerned with minor or non-disability cases. Last year, the Rehabilitation Department handled 1,100 cases and was able to rehabilitate 65% of these. The majority of the balance were treated until their condition no longer required rehabilitation help and therefore no further action was taken. A small percentage (10%) of the cases handled could not be rehabilitated due to total disability, old age, death or a non co-operative attitude on the part of the patient.

The purpose of the Hospital and Rehabilitation Centre at Downsview is to handle only:

- major amputees.
- patients who require therapy but where no local facilities exist.
- problem cases of difficult diagnosis, delayed recovery or serious injuries.

Admission is effected through the Medical Department of the Board. Patients are admitted for such times as treatment at the Centre results in an improvement in their condition. The Centre is in no way in-



## *Organization of Government in Ontario*

tended to act as a residence for the disabled worker. The Centre provides physical, occupational therapy and a program of remedial gymnastics to encourage the worker to make maximum use of his injured limbs so as to get him back to work as quickly as possible. The Centre also operates a 175 bed hospital for patients who require continuous medical care. The medical staff of the Centre includes 17 doctors and technicians and a nursing and orderly staff of 42. The clinical division of the Centre has 20 occupational therapists, 20 physio-therapists and 8 remedial gymnasts. These medical and therapeutic personnel are responsible to the Medical Director of the Centre.

Administration personnel of the Centre, totaling 152 persons, are responsible to the Administrator of the Centre. The administrative function embraces the housekeeping staff, admission and discharge office, the business office, security clerks, stores, and secretarial personnel.

*Relationship with Government:* In the relationship with the Government of Ontario there are the following obligations.

Members of the Board are appointed by the Lieutenant-Governor in Council and serve during pleasure. The Council also fixes the members' salaries.

In certain other areas such as the acquisition of real property, the setting up of a superannuation fund and the making of regulations, the approval of the Lieutenant-Governor in Council is necessary. Provision has also been made for the payment to the Workmen's Compensation Board from the Consolidated Revenue Fund of up to \$100,000 as the Lieutenant-Governor in Council may direct. However, this provision has not been exercised since 1922.

The means whereby such obligations are placed before the Lieutenant-Governor in Council is via the Minister of Labour who may submit to the Assembly or reject the proposal dependent upon his assessment of the validity of the proposal. Therefore, apart from the presentation of the annual report to the Lieutenant-Governor in Council and the considerations quoted above it appears that the Workmen's Compensation Board is virtually an autonomous unit.

*Relationships with other Boards and Commissions:* From the information we have been given only voluntary relationships with other Boards and Commissions exist.

*Financial Operations:* A total of \$62,700,000 was received by the Board from assessments, deposits and interest on investments during 1957. This sum was expended on compensation, pension and medical aid pay-

## *Workmen's Compensation Board of Ontario*

ments, administration expenses, contributions to safety associations or set aside in reserve for future payment on behalf of accidents occurring in that year. In addition some \$3,500,000 of capital outlay was expended almost entirely for buildings and equipment of the New Rehabilitation Centre. This was financed from reserves already held by the Board.

Analysis of the Board's payments for 1957 shows that 88.6% was for compensation, pension, medical aid and other payments made directly to or on behalf of the injured workmen, 2.8% went to support safety associations and 8.6% was administration expenses. This compares quite favourably with the experience of other compensation boards. For example, a 1953 report of the Morland Commission of New York State states that out of every dollar paid by employers under New York's compensation legislation, less than 40c is paid out to the injured workmen. However, it is conceded by the Board that the legislation under which both the New York and Ontario Boards operate is quite different and unquestionably favours the latter.

The Workmen's Compensation Board has been growing rapidly in recent years. Between 1946 and 1956, the number of employers covered under Schedule 1 of the Act has almost doubled, from 35,000 to 69,000. Payrolls upon which assessments are based have nearly tripled, from \$1,300,000,000 in 1946 to \$3,700,000,000 in 1956. This rapid rate of expansion has been met by the Board by the adoption of improved clerical procedures and modern office equipment. As mentioned previously, the Board has made extensive use of punch card equipment and has recently installed an I.B.M. 650 electronic computer to handle the increased volume of business. If the present rate of growth continues, and there is every indication that it will, a larger computer may be obtained at a later date.

### **Ancillary Operations**

*Public Service:* Because public relations is considered a very important function of the Board, it has its own Public Service Department as well as engaging a professional public relations firm on a retainer fee basis. There are some 8 persons employed in the Public Service Department handling all public tours, radio and TV releases, editorial copy, photography, various staff publications, public speaking arrangements and the printing of the annual report. The annual expenditure of the Department is about \$70,000, half of which is salaries and the other half printing and

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other costs. The public relations firm engaged on a retainer fee is the Ontario Editorial Bureau. Their fees in 1957 totalled \$12,000.

*Internal Audit:* One employee is employed permanently at internal audit work. This work consists primarily of a continuous audit of staff payroll, equipment inventory records, expense accounts and claims disbursements.

*Salary Administration:* One employee, reporting directly to the Board Secretary is responsible for the job evaluation and merit rating plans which cover all non-executive Board personnel. Board clerical personnel do not come under the civil service, nor is there any exchange of personnel between the civil service and the Board. The Board policy is to promote for merit only and not by seniority.

## **Conclusion**

This report has been written so as to record the present organization of the Workmen's Compensation Board of Ontario. No attempt has been made, or implied, to praise or criticize the strengths and weakness of either procedures or personnel. To do so would have been outside our terms of reference. On the other hand, it is only fair to record that this examination was greatly facilitated by the unrestricted co-operation and frankness freely given by all the employees of the Board with whom we were in contact. This applies particularly to the Board members themselves with whom our relationships were most satisfactory.

URWICK, CURRIE LIMITED



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